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Traded options: more players still wanted
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The ancient Mediterranean class struggle
Reviewed by Robin Lane Fox
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LAKER AND LORRHO
Sir Freddie bounces back
THE TIMES
Back to the brink again
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Romantic weekend getaways
p9

Brandy: why Cognac
p13

NEWS SUMMARY

BR may meet Aslef terms
BR is considering agreeing to Aslef terms for ending the rail strikes. The independent inquiry into the dispute recommends a recommendation to that effect with tightly worded productivity proposals.

Dollar firmer; gilts off 0.3
DOLLAR rose to DM 2.385 (DM 2.365), SwFr 1.9125 (SwFr 1.8975) and Y238.25. Its trade-weighted index improved to 112.7 (112). Page 21

Steel privatisation project collapses

BY ALAN PIKE
TALKS on the Phoenix 2 project, which the Government hoped would inject a major new private sector element into the steel industry, have collapsed. A brief statement from the British Steel Corporation and Guest Keen and Nettlefolds, the two remaining partners in talks which originally involved five companies, said yesterday that it had "not been possible to identify a viable basis on which to structure a joint venture" for the production and marketing of engineering steels. The failure of the long negotiations comes almost exactly a year after BSC and GKN reached agreement on the creation of Phoenix 2, a joint project for the rationalisation of wire rod and bar production. This 50-50 owned operation is now trading as a new company, Allied Steel and Wire, outside direct BSC control. From the start Phoenix 2 was a far more ambitious and uncertain project. It was conceived as a means of reducing overcapacity in the engineering steel sector and of having off another part of BSC's operations, on Phoenix 1 lines, into a company with a strong private input. During the Phoenix 2 negotiations one potential partner, Dupont, withdrew from steel making amid financial difficulties. Another, the Lorrho-owned Hadfield, made 1,900 workers redundant and pulled out of the discussions. The success of Phoenix 2 always depended on agreement between BSC and GKN—Britain's biggest private steel company and the biggest domestic user of the corporation's steel. This delicate relationship between the two organisations appears to have brought added difficulty to negotiations over the pooling of engineering steels resources. There have also been differences over the degree of independence the new company should have, and what relationship it should have with the remainder of BSC's activities. The failure of the talks will be received with deep regret by the Government, which attaches high priority to the privatisation of parts of the steel industry. The attempt to create Phoenix 2 has made privatisation slightly more difficult. Last May, in readiness for the launching of the new project, BSC bought out Tube Investment's 50 per cent stake in Round Oak Steel Works in the West Midlands. The plant is wholly-owned by the corporation, although it continues to trade separately. Yesterday's statement from BSC and GKN stressed that although it had not been possible to reach agreement, the position would be "reviewed from time to time in the light of the changing market conditions." Demand for engineering steels has increased in recent months, making both parties less anxious to rush into an agreement. But opinion in the steel industry is that there is continuing overcapacity which will eventually have to be rationalised. The pick-up in demand is illustrated by UK steel output figures for last month. Production averaged 280,500 tonnes per week, an increase of 19.7 per cent on January 1981. This maintains an upward trend in production which has been visible since autumn. In spite of the fact that BSC output last month was hampered by the weather, the rail dispute and a strike at Tees Dock.

National Freight buy out succeeds

By Lynton McLean
ALMOST a quarter of the staff of the State-owned National Freight Company have applied for sufficient shares in the company to enable the consortium of management and staff to buy the company from the Government. By yesterday, four days before the offer for sale of shares closed on Tuesday, more than 6,000 of the haulage, transport and travel company's 28,000 staff and 17,500 pensioners had applied for 4,342,975 of the £1 "A" Ordinary shares. This compares with the £1.125m-worth of the shares laid down by the Government last month as the minimum necessary for the buy-out by management, staff and pensioners of the NFC to ahead. The offer for the sale of shares is based on issue of 7.5m £1 Ordinary shares. The consortium was offered 6,187,500 "A" Ordinary shares, representing 82.5 per cent of the equity. The remaining balance of the equity, 17.5 per cent of the total, is in the form of 1,312,500 "B" Ordinary shares, which a syndicate of banks has conditionally agreed to buy. Before yesterday's announcement by the company that the buy-out, the biggest proposed in Britain, was now able to succeed "subject to formal completion of legal and financial details," NFC had hoped that at least 60 per cent, 14,400, of the 24,000 non-management staff would buy shares through a £200 interest-free loan offer by the company. The 2,000 middle managers in the company were expected to subscribe about £1,600 each to provide the bulk of the £4.125m minimum needed for the scheme to go ahead. The top 20 managers were expected to subscribe between £1,600 and £25,000 each. Total purchase price of the NFC is £53.5m, of which £31m will be provided by a syndicated loan by Barclays, Barclays Merchant Bank, the County Bank, Lloyds, National Westminster and Williams and Glyn's. The net payment to the Government of the sale of NFC to the staff is expected to be £8.5m, after taking account of the £47m payment by the Government to make up deficiencies in NFC's pensions fund.

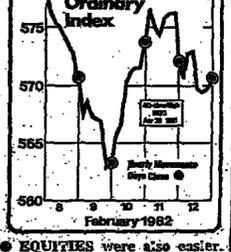
Inflation still 12% due to cold but fall likely

BY MAX WILKINSON, ECONOMICS CORRESPONDENT
THE ANNUAL inflation rate in January remained at 12 per cent for the third month in succession but there are strong indications that the rate will start to fall again. It was previously as high in April. Government strategists have maintained that the present level of the inflation rate would be only a temporary setback to the downward trend which started in the spring of 1980. The rate would have fallen last month if the cold weather had not resulted in exceptionally large price increases for seasonal food. If these food items are excluded the inflation rate for retail prices shows a slight fall of 0.2 points to an annual 11.6 per cent the same rate as in August. No large rise in food prices is expected in February and no substantial increase in other groups of prices is foreseen. It is therefore expected that the rate will continue downward. In March and April the inflation rate will be strongly influenced by the effect of any changes in indirect taxes made in the Budget. Last year excise duties on tobacco, alcohol and petrol were raised by substantially more than the going rate of inflation and this added 2 per cent to the Retail Prices Index. Last March the RPI increased 1.5 per cent compared with its level in February, and in April it went up a further 2.9 per cent, reflecting the bulk of the Budget measures. If the Chancellor decides to raise excise duties by 12 per cent in line with the present inflation rate, he would add about 1.1 per cent to the RPI. Since this would be a smaller increase than last year, however, it is possible the annual inflation rate could continue to fall — even in the face of an increase in excise duties. In January the RPI stood at 310.8 (1974=100), an increase of 0.6 per cent compared with the previous month. The "Tax and Price Index" which measures the gross increase of income which taxpayers need to keep up with prices — was 15.5 per cent up on a year earlier. The most recent figures for December, show earnings are rising at an underlying annual rate of about 11 per cent. Optimism that the inflation rate will soon start to fall has been encouraged by the January figures for wholesale selling prices, which showed the annual rate of increase fell — for the first time since July — to 11 per cent. The steadiness of sterling in recent months and the easing of oil prices have helped to moderate cost pressures on industry while the continued weakness of consumer demand has kept manufacturers from increasing prices. The sharp improvements in industrial efficiency recently, with generally low wage increases in the industrial sector, have also helped to reinforce the Treasury's view that inflation could fall to an annual rate of 10 per cent by Christmas. The UK's inflation rate is now just a little higher than the

Oppenheim quits
Prices Minister Sally Oppenheim resigned leaving only three other women in Mrs Thatcher's Government. Back Page: The immaculate blonde MP, Page 3

Three quit probe
Three of a five-member team set up to investigate an Ulster sex scandal resigned hours after the inquiry opened because they believe criminal aspects may still have to be dealt with.

Poland hi-jack
A Polish Lot airliner pilot on a domestic flight hijacked his own aircraft to bring his family to West Berlin's Tempelhof airport, a U.S. military base.



Mirage orders
India will order 40 Mirage 2000 fighters from Dassault, the French company, and take an option on facilities to make the aircraft in India. Page 2

WALL STREET was off 0.43 at \$34.13 near the close. Page 18

French bombings
The former Paris home of Iranian leader Ayatollah Khomeini was destroyed in a wave of apparently unrelated bomb and machine-gun attacks in France.

FRANCE risked further criticism in Brussels by proposing more aid for its farmers. Back Page

Tanker drama
The Greek tanker Victory broke up in mid-Atlantic with 21 people clinging to its sinking stern while 11 on a lifeboat were reported missing. A rescue bid was underway.

HONGKONG LAND acquired the former colony's Connaught Centre for HK\$4.78bn (£436m) in one of the world's biggest property deals. Back Page

BA optimism
British Airways hopes to operate more than 30 per cent of European and domestic flights to and from Heathrow this weekend in spite of the ramp workers' dispute. Page 4

FRANCE threatened to close its Elzestere Port oil refinery on Monday if 1,500 workers do not end a dispute over local allowances. Page 4

Boycott opposed
Syrian plans for economic sanctions against the U.S., because of its support for Israel, are opposed by the majority of Arab States. Page 3

STOCK EXCHANGE is certain to re-elect Sir Nicholas Goodison as chairman in June for a seventh year. Page 3

Nato rejection
The Western Alliance rejected the proposed Soviet missile reduction as inherently unfair and endorsed U.S. handling of the U.S.-Soviet arms negotiations in Geneva.

WAGON FINANCE Corporation, a saw, pre-tax profits fall from £1.37m to £860,003 for the 12 months ending December. Page 16

Nigeria welcome
Thousands of Nigerians welcomed Pope John Paul to Lagos at the start of his four-nation African tour.

PLEASURAMA, entertainment and leisure group, is paying £4.5m for Mr Abdel Wahab Galadari's London casino interests. Page 16

Briefly
Halle Orchestra will lose its £30,000 grant from the city of Manchester.
Impersonator Mike Yarwood is joining ITV after 10 years with BBC.

FIRST CASTLE ELECTRONICS is raising £2.56m in a one-for-one rights issue. Page 16

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISES		FALLS	
Excheq. 12pc Conv. '85	263 + 1	Pleasurama	368 + 28
Treas. Sps 1986	473 + 1	Plessey	370 + 5
Dowry	123 + 7	Polly Peck	345 + 15
Erskine House	65 + 11	Sound Diffusion	77 + 4
HAT Group	814 + 44	Trident TV A	89 + 6
Highland Distilleries	86 + 8		
Hinton (Amos)	298 + 12	Excheq. 15pc 1987 £102	- 1
Horizon Travel	350 + 17	Beecham	237 - 6
Huntley & Palmer	111 + 3	Brooks Tool	28 - 5
Imperial Group	87 + 24	Glaxo	472 - 6
Inter-City	34 + 15	GKN	126 - 8
Mipet	152 + 5	Telephone Rentals	342 - 11
Mining Supplies	110 + 6	Shell Transport	382 - 8

Laker Gatwick job losses total 1,700

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
ABOUT 1,700 of Laker Airways 2,000 staff at Gatwick lost their jobs yesterday following last week's collapse of the airline. The extent of the redundancies came as a shock to many staff, who were buoyed up by hopes that Sir Freddie Laker might get a new airline rolling in time to save their jobs. About 300 are kept on to service the assets in the hands of the Receivers, the offices, hangars, aircraft, equipment and vehicles. Sir Freddie, now trying to form a new airline with Mr "Tiny" Rowland of Lorrho, said he was "shattered" by the news of the redundancies. "It means we have to have our licences immediately, so we can start to re-employ some of them." If it took three or four months to get licences from the Civil Aviation Authority, he said, "then there won't be any airline. It has to be done immediately." He expects to approach the Authority early next week. But it made it clear yesterday that the whole question of sorting out the route licences problem for a new Laker-Lorrho airline was "extremely complicated" and would take longer than was thought likely. If set up as a new legal entity, it would have to apply to the Authority for route licences in the normal way. To meet statutory obligations the Authority would have to satisfy itself on the financial soundness of the airline and its airworthiness. It would need premises, aircraft and a properly constituted capital structure before the Authority considered licences. The licence situation is further complicated by the British Caledonian Airways decision to apply for the Gatwick-Los Angeles route, and to seek have to overtake the dormant licence of Laker. The Receivers of Laker have no powers over route licences, solely a matter for the Civil Aviation Authority. If 21 days after the proposed airline applied for the routes no-one has objected they and the CAA's criteria have been satisfied, they could be transferred to it without difficulty. If objections are made, and these could come from the public as well as other airlines, a public hearing must be held. This thought of a new airline being operational by April seem over-optimistic. Most airline observers believe early summer to midsummer more realistic. At Gatwick yesterday, as the Continued on Back Page

Sir Freddie wants to buy BA routes

By Alan Friedman
SIR FREDDIE LAKER yesterday expressed his long-term desire to see "The People's Airline" buy out the London Gatwick Airport operations of British Airways. In the company of Mr Roland ("Tiny") Rowland, chief executive of Lorrho and his new financial backer, Sir Freddie said the privatisation of BA would open new areas for their planned airline. "If we can get this company on the road and go public I think it would be the most likely vehicle to deal with the privatisation of British Airways." He said he could envisage purchasing BA's Gatwick operations, possibly some of its aircraft and taking over some of its routes to the Continent. "It has to be wrong that poor old BA should operate from three airports." He said, with a "network into Europe," the new Lorrho-Laker airline could generate its own traffic into and out of Gatwick. All of this was far off in the future—"We haven't set out to take over BA," he said. More immediately, Sir Freddie said, he and Mr Rowland hoped to introduce "a bonding scheme for Continued on Back Page

Banks may act on cheque frauds

BY ROSEMARY BURR
RESTRICTIONS on use of cheque cards abroad are being considered by the clearing banks as part of a bid to stem losses through fraudulent misuse of cards, thought to be running at about £12m a year. The cards may be redesigned to make it more difficult for the holder's signature to be erased and another inserted. One option, though less likely, is inclusion of a photograph of the cardholder. Cheque guarantee cards allow customers to write cheques whose payment is guaranteed by the banks provided certain standard procedures are followed. About 16m people hold the cards. Each of the big four clearers is thought to be losing about £2m a year as a result of cheque books being stolen or customers unable to meet their cheques. The banks set up a joint working party on losses last year. Its recommendations are being considered by the banks' chief executives. On the overseas front, the banks may insist that cardholders get a special encashment card to use abroad. At present customers of Midland, Lloyds and National Westminster can use their cheque-books and cheque guarantee cards overseas through the Eurocheque system. An alternative method of tackling overseas losses would be to give British travellers Eurocheques to use abroad. This would have the added advantage to customers of allowing them to write cheques in local currencies and cash the equivalent of £75 per cheque, rather than £50 under the present cheque guarantee card. Any change in the format of the card is likely to be a joint decision uniformly applied by the clearers. Initially there was no uniform design of cheque guarantee cards, but in 1969 the banks got together to establish a mandatory format. It is likely that the banks will adopt different approaches in reducing overseas losses. Mr Terry Hollis, an assistant general manager at Midland Bank and chairman of the banks' working party, said: "I hope the banks will take action before very long. It is a matter of weeks rather than months."

INFLATION AT ANNUAL RATES

Country	December (per cent)
Japan	4.3
West Germany	6.3
Austria	4.4
Switzerland	4.4
Netherlands	7.2
Belgium	8.1
US	8.9
Sweden	9.1
UK	12.0
Canada	12.1
Denmark	12.2
France	12.2
Spain	14.0
Italy	14.5
Greece	22.5
Ireland (Republic)	23.3
EEC (average)	11.6
OECD (average)	9.9

Source: Department of Employment

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RECOVERY FUND A Fund with the aim of providing a high income as well as prospects of capital growth from investment in a portfolio of gilt-edged securities. Trustees: Coutts & Co. Distribution dates (income units only): the last day of March, June, September and December; next distribution date for new investors: 31st March 1982.

DOWNFUND Aims for a yield at least 50% higher than that of the FT Actives All-Share Index. The Fund is suitable for investors needing a high and steadily increasing income with prospects of capital growth as well; indeed, the total gross dividend on an investment of £1,000 in the Fund launched was £254 in the last year. Trustees: Barclays Bank Trust Co. Limited. Distribution dates (income units only): 20th February and 20th August; next distribution date for new investors: 20th August 1982.

AMERICAN RECOVERY FUND A Fund with the sole objective of capital growth over the long-term, designed to invest in shares in the USA and Canada which are considered by M&G to be undervalued in the stock market. Trustees: Lloyds Bank Limited. Distribution dates (income units only): 20th December and 20th June; next distribution date for new investors: 20th June 1982.

READ THIS TABLE BEFORE INVESTING	RECOVERY	DOWNFUND	RECOVERY*	AMERICAN RECOVERY
Launch date	DEC'80	MAY '64	MAY '69	JULY '79
and price equivalent	50p	50p	12½p*	50p
Price of income* units at 10th February 1982	47.5p	153.8p	174.4p xcd*	82.7p
and estimated current gross yield	13.08%	8.50%	4.09%	1.50%
Percentage change in Fund offer price since launch date	-5.0%	+2.08%	+1,295%*	+65%*
Percentage change in FT. Ordinary Index over same period	-10.0%*	+63%	+35%	-19%

*Accumulation units shown for Recovery because income units were not available at Fund launch. *10.5p. *Change takes no account of reinvested income. **FT Government Securities Index. †Down Jones Industrial Index.

Prices and yields shown above are based on the FT All-Share Index as at the published price, an annual charge of 1% plus 1% is deducted from each Fund's gross income (1% net unit income for Recovery and Downfund, 1% net unit income for American Recovery). Distribution dates for income units are based on the assumptions shown in the prospectus. The price of units will be set by the trustees. The price of units will be set by the trustees. The price of units will be set by the trustees.

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DATE: _____

THE M&G GROUP

India to order 40 Mirages with option to manufacture

BY K. K. SHARMA IN NEW DELHI

THE INDIAN Government is to place orders for 40 Mirage 2000 fighters with the French company of Dassault before the end of this month and take an option on facilities to manufacture the aircraft in India.

The original deal discussed involved the outright purchase of 40 Mirage 2000 aircraft, the import of another 40 in kit form for assembly in India and the manufacture in India of another 70. At present, only the first part of the deal is to be carried out.

Agreement has been reached on engines, electronic equipment and weapons for the Mirage 2000s to be supplied to India. These include sophisticated Patra missiles, also to be supplied by the French.

Boost for Reagan team on wholesale price rise

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan was given further good news on the inflation front yesterday with the Labour Department reporting only a modest 0.4 per cent increase in U.S. wholesale prices in January.

Arab summit opposes U.S. boycott

BY RICHARD JOHNS, MIDDLE EAST EDITOR, IN TUNIS

SYRIAN proposals for far-reaching economic sanctions against the U.S. are being opposed by a majority of Arab states at the Arab Foreign Ministers' meeting which began yesterday in Tunis.

The measures proposed, including a boycott of U.S. merchandise and withdrawal of funds placed with US financial institutions over a five year period but the demand for an oil embargo has been dropped.

Not only are the sanctions called for by Syria too extreme for the conservative oil producers led by Saudi Arabia to contemplate, but Syria finds itself isolated because of support for Iran in the conflict with Iraq. Baghdad has sent a delegation, despite a previous condition that the Gulf conflict should also be discussed.

The radical Arab camp, including the Palestine Liberation Organisation, whose relations with Syria have under strain, tend to be that the trouble in Hamas been orchestrated by Jordan and Saudi Arabia.

Mitterrand warned over spending

By David Housego in Paris

M LAURENT FABIUS, the French Minister for the Budget, has written a formal note to President Mitterrand warning of the risk that uncontrolled spending could result in an overshooting of the planned budget deficit for 1982.



THE Chinese news agency has published without comment this picture of China's Communist Party chairman Hu Yaobang sweeping the streets, Colina MacDougall writes. The picture comes at a time when the world is wondering what has happened to Peking's top leader, Deng Xiaoping, who has now been out of sight for nearly a month.

China's propaganda machine may have swung into action with this picture of Chairman Hu at work pouring encouragements on his aides—or indeed, it may be doing him a good turn by picturing him so vigorously wielding a brush. But after all the rumours about Deng's ill-health, retirement, forced exile from Peking or whatever, it shows a funny sense of timing.

The Ministry of the Budget yesterday confirmed that M Fabius, as disclosed by Le Monde, had written to the President in December alerting him to the serious strains in the public finances.

China buys up bankrupt W. German spinning mill

BY LESLIE COLLITT IN WEST BERLIN

PEKING has bought the production facilities of a bankrupt West German spinning mill and is planning to ship them to China, where the mill is to resume production.

Ruhrigas, the West German gas distribution group, has started talks with the Soviet Union and East Germany over the supply of natural gas to West Berlin, Kevin Done writes from Frankfurt.

Portuguese ignore general strike call

MILLIONS of Portuguese workers rejected the 24-hour general strike called yesterday by the Communist-dominated trade union confederation CGTP-Intersindical, Diana Smith writes from Lisbon. Instead, they obeyed an urgent last-minute appeal by the Premier, Francisco Balsemao, to go to work "in the name of democracy and freedom."

The company receiver Dr Robert Wieschemann would not give the sale price, noting only that the costs of dismantling the machinery and transport were virtually as high as the price paid for them by the Chinese.

The plant in Kaiserslautern produced some 4,000 tonnes of worsted yarn annually in two shifts. The Chinese are said to want to produce in three shifts and expect to turn out 8,000 tonnes a year.

East bloc switches Poland tactics

By Robert Graham in Madrid

THE Soviet Union and its allies yesterday reversed their tactics at the European Security Conference and made no effort to block a series of highly critical speeches by Western Foreign Ministers attacking the martial law clampdown in Poland.

Egypt plans its economic rescue tactics

BY ANTHONY McDERMOTT IN CAIRO

EGYPT'S most experienced managers of the economy gather in Cairo today to map out guidelines for the country's 1982-87 development plan amid signs that the economy is deteriorating more rapidly than expected.

The 33 experts at the meeting, named by President Hosni Mubarak at the beginning of the month, include six current economics ministers and former economics heads and leading members of the small opposition parties.

With a new budget due to come into operation on July 1, putting the economy on the right path is a priority, particularly as Moslem extremists have found fertile ground in the social inequalities created by Egypt's liberal "open door" policy on foreign investment.

Mr Mubarak has shown much greater determination than his predecessor, Mr Anwar Sadat, to attack the problems of the economy and to discuss them openly. In his first major policy speech, in November, he identified seven major issues. These included:

Louise Kehoe, in San Mateo, reports on the U.S. home computer boom California's burglars reprogram

CALIFORNIA, the birthplace of the microprocessor, is leading the trend towards home computing. In San Mateo, near the Silicon Valley, home of some of the world's top microchip makers, personal computers have already become a common addition to the standard range of household electronics.

Many adult computer owners use their machines, at least in part, for business pursuits. With the right software—program — a personal computer makes a useful word processor. With the aid of a Modem—a unit attached to a computer, which allows it to "talk" down a telephone line—it can become a communications terminal, with access to stock prices, or send telex messages. Some programs give the computer the ability to help work out financial strategies.

advice on which software package to choose. It is almost impossible to try out a program thoroughly before buying it, which often leads to expensive mistakes.

A casual survey of a typical San Francisco Bay area housing development of some 700 homes, indicates that nearly 10 per cent of the residents already have a computer and the number is growing fast and the office is advertised on television every night. Almost all department stores sell different models, and specialist computer stores are opening in local shopping centres.

Typical owners include self-employed people, like journalists, or consultants who use computers as design tools or for working out financial models. Salesmen use a home computer to keep their records. A teacher offers afterschool tutoring in Maths and English using computer-based lessons.

A particularly vexing problem with software is that the publishers have yet to work out a sensible way to protect their copyrights. It is so easy to copy a program, from one disc to another that software houses have resorted to incorporating locks in their program to stop copying. The catch is that this makes it impossible to protect the program by making back-up copies.

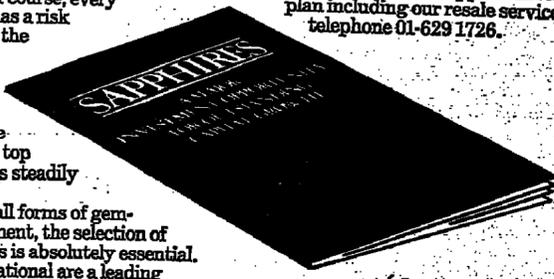
Reagan extends European visit

President Ronald Reagan has extended his planned June visit to Europe to include Britain and West Germany, the White House confirmed yesterday. Reginald Dale reports from Washington. It will be his first trip to Europe as President. Mr Reagan's tour will start in Paris, where he is due to attend the seven-nation Western economic summit on June 4-6. He will visit Rome and then fly on to London for a two-day visit before going to Bonn for a 15-nation Nato summit.

In uncertain times, gemstone investments show their true colours

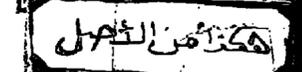
In times of economic uncertainty, when many investments are subject to wide fluctuations, sapphires are gaining in appeal as inflation sheltered assets of great durability due to their historical popularity and lasting value.

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UK NEWS

Timex to market Sinclair in U.S.

By Jason Crisp

MR CLIVE SINCLAIR has licensed Timex, the U.S. watch and camera company, to market his highly successful computers throughout North America.

Sinclair is selling 15,000 personal computers a month in the U.S. by mail order. Both companies expect this to rise sharply as soon as Timex begins marketing directly in a few months' time.

Timex will sell the ZX8 computer, printer and Sinclair produced software. It will also have the right to the Sinclair name, which is probably as well known in the U.S. as in Britain.

Timex will pay Sinclair Research a royalty of 5 per cent on all computer hardware sold in the U.S., including any products it develops itself, or buys from a third party.

Mr Sinclair also receives a royalty of 5 per cent on computer software if it was written by his company or 2 1/2 per cent if it comes from another source.

Sinclair will continue to sell in the U.S. by mail order until Timex sales reach a certain unspecified level. Sinclair's U.S. company will then be used to sell the pocket-sized flat screen television which is due to be launched in the UK later this year.

Sinclair Research which was set up by Mr Sinclair in July 1979 now has sales running on an annualised basis of £90m a year. Last year sales were £65m with pre-tax profits of £12m.

More than 500 people are employed by subcontractors making Sinclair computers and peripheral equipment while the company itself employs about 40. Research and development is running at £5m a year.

Timex is producing 1,000 ZX81 computers a month in Dundee, of which two-thirds are exported. It may also start production in the U.S.

The BBC computer made by Acorn is to cost more. The basic version goes up from £235 to £299 and more sophisticated one from £335 to £399. Acorn says it is because it has more facilities than originally intended.

Computers are made for Acorn by ICL and Clearstone in Wales.

Building society receipts up in January

NET RECEIPTS of building societies recovered last month to their highest level since June last year. Receipts in January rose to £356m compared to £203m in December and £56m in November.

The January figures show that building societies are lending less money to home buyers. Last month societies proposed to lend home buyers £685m, the lowest monthly total for two years and well down on the average of £1bn a month in 1981.

The drop in lending last month reflects the continuing high level of building society interest rates, competition for home loans from the clearing banks and the bad winter weather which will have disrupted the normal flow of commercial business.

Nevertheless the combination of lower mortgage lending and an improving level of receipts since November — the worst month for receipts for five years — will add to the pressure on building societies to lower the recommended mortgage rate currently at 15 per cent.

Last week Mr Alan Cumming chairman of the Building Societies Association suggested that a reduction in the mortgage rate of two percentage points may occur in stages, with a one percentage point cut in the rate possible in the next couple of months.

Fulmar oilfield on stream

By Martin Dickson, Energy Correspondent

THE FULMAR oilfield has started production, the 19th UK North Sea oil find to come on stream and the first this year.

Shell, the operator, said oil began flowing on Thursday. Production was likely to average 30,000 barrels a day for the first month and 67,000 lb over 1982.

Peak output of 180,000 bpd should be reached in 1985. The field, 170 miles east of Dundee, is estimated to contain 450m barrels of recoverable oil, making it a medium-size find by North Sea standards.

Shell said its production facilities had cost £420m and by the time all the fields will have been drilled, the total bill would be about £580m.

The immaculate blonde MP who won confidence of consumer lobby

HER RESIGNATION yesterday of Mrs Sally Oppenheim as Minister for Consumer Affairs has been a surprise to many who thought that Mrs Thatcher has lost one of only four other women in her Government — and the one who conforms most closely to the Labour stereotype of Tory lady.

Oppenheim, always immaculately dressed and usually bejewelled, exudes an aura of conspicuous affluence which infuriated Labour MPs when she first joined the Tory front bench in 1974. Mr Dennis Skinner, Labour MP for Bolsover, once quipped that the only shopfloor she knew was Fortnum and Mason's.

On another occasion, she is reputed to have given a hostage fortune by saying that the only profession for consumers was prostitution at Harrods.

Outwardly, therefore, she was not the kind of woman to appeal to the various pressure groups which make up the consumer lobby, and when Mrs Thatcher

Elinor Goodman analyses the career of Mrs Sally Oppenheim

appointed her she was generally regarded as a statutory woman in the trade team, but surprisingly these groups seem to have come to quite respect her.

The verdict on her yesterday seemed to be that she was "getting better" and that she had proved herself to be a good fighter. There is much concern that her resignation means a down-grading of the consumer portfolio.

Mrs Oppenheim, now 51, has held the same brief on the Tory front bench longer than most of her colleagues, many of whom switched responsibilities after the election. She was appointed Opposition spokesman on prices in 1974 and is best remembered for her all-night performance leading the Tory troops through the lobbies in a marathon attack on the Prices Bill.

She also incurred the wrath of the CBI by helping to block the Government's proposals on metering.

By the time the Tories won the election in 1979, therefore, she already had her own clearly defined views on the whole question of consumerism and at that time it looked as if her fairly narrow definition of consumerism would put her on a collision course with the National Consumer Council.

In the event the collision was avoided and the Council now seem to think that she did her best to get her views heard in Whitehall.

These views were not always noted, however. Last year she was strongly in favour of forcing British Gas to sell its High Street showrooms.

She has, however, had some more modest successes recently. As a result of her intervention, for example, it looks like a Private Member's Bill strengthening the law on consumer services will get on the statute books this session.

She has also had her responsibilities widened since the election. With the addition of the tourism portfolio and with her responsibility for the Monopolies Commission she has become a close family and Mrs Oppenheim nursed her husband for several months before he died in March 1980. She returned to the House shortly after his death, but over the months, she has apparently found it increasingly difficult to cope with both her family responsibilities and her ministerial duties.

Appropriately, perhaps for a woman who has never preached the gospel of Womens Lib, she has decided that her family duties should take priority.

Rodgers calls for talks with TUC on trade union legislation

BY PETER RIDDELL, POLITICAL EDITOR

THE Social Democratic Party wants to open talks with the TUC about trade union legislation, similar to the informal consultations already held with the Confederation of British Industry.

In a speech in Leicester last night, Mr William Rodgers accused the TUC of "sulking its tent" and appealed to union leaders to start discussions.

Mr Rodgers was one of the main advocates of the party's majority vote last Monday in favour of the Employment Bill. His speech can be seen as an attempt to conciliate and to show that the SDP is not anti-union, while putting down a challenge to the union leaders themselves.

The TUC is unlikely to take up the offer of discussions so soon after the party's vote. While Mr Rodgers claims the "personal goodwill of a number of trade union leaders," most of even the right-wing union leaders have criticised the SDP for its decision in the last few days.

There have been informal consultations between the party and the CBI — most recently when Mr Rodgers, Mr John Horam and Mr Wrigglesworth of the SDP's leadership, met Sir Terence Beckett, the CBI's director general.

In addition, SDP leaders have been keenly courted by chairman and top executives of many big companies.

Mr Rodgers said: "Every government should seek a constructive dialogue with the TUC. An SDP-Liberal Alliance government would certainly wish to do so. We intend to build a unique partnership with industry and it would be foolish and destructive to exclude the trade unions from discussions.

"If the trade unions believe that their case against the Employment Bill is overwhelming they should be prepared to argue the merits and withdraw the threat of industrial action for political ends. My colleagues and I would be happy to meet a delegation from the TUC to hear their detailed representation.

"We should also hope to learn why the TUC is so cool towards amending the Bill in order to provide for internal trade union ballots and employee participation at the workplace."

"The trade unions have lost their mission but failed to find a role. The Prime Minister has excluded them from consultation and left them in the cold. But they themselves have shown no understanding of the growing demand for trade union-led reform and no ability to put their house in order."

Goodison's re-election as SE chief likely

By Christine Moir

SIR NICHOLAS GOODISON is now certain to be re-elected in June for a seventh year as chairman of the Stock Exchange, but not without some muted opposition.

Under Stock Exchange rules the chairman must be elected annually by secret ballot at the first council meeting of the year in June.

Some months before, however, the views of councillors and senior partners of member firms are canvassed to see if any opposition is likely to the sitting chairman or whether another candidate is emerging.

That process has been completed. Unless the council ballot in June produces an adverse vote against Sir Nicholas — which would be unprecedented in recent Stock Exchange history — he will serve a seventh term.

There has, however, been a degree of opposition to his re-election. It is an informal tradition in the exchange that chairmen should serve about five years. On that basis Sir Nicholas's re-election this year represented an extension of the normal period intended to facilitate the exchange's defence of its rule book before the Restrictive Practices Court.

The court hearing will now not occur before late next year so some councillors felt Sir Nicholas should make way for a new chairman.

There is also a small body of influential members of the exchange who feel that the collapse of Hedderwick Striving Grumbar, the stockbroker's group, has damaged the exchange's reputation. It is embarrassing to Sir Nicholas.

Sir Nicholas's own broking firm, Quilter Goodison, was planning to take over Hedderwick, and in the event has picked up many of Hedderwick's private clients.

A parliamentary campaign to have funding restored to CHC News has been launched. Under the Government's proposals, the magazine's funding will end on March 31.

Mr Gerald Kaufman, shadow environment spokesman, also promised reforms and the repeal of the "crazed and demoralised" attacks on local government by Mr Michael Heseltine, Environment Secretary, which would mean losses of about £2bn for councils in 1982-83.

Some Chemical Bank offices for Cardiff

Financial Times Reporter

CHEMICAL BANK, the UK merchant banking subsidiary of Chemical Bank in New York, is to transfer a part of its operations from London to Cardiff.

The bank is negotiating to take about 56,500 sq ft in a new office development at Fintona Way, Cardiff. It is expected to employ about 300 in Cardiff and 150 to 200 of these jobs may be filled locally. Chemical Bank has 600 staff at its London headquarters.

The extent to which Chemical Bank will decentralise some of its UK activities away from London is not entirely clear, but it is the first time that an overseas bank has moved its activities away from the capital.

BL campaign causes car price war fears

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL's announcement of a "nationwide sale" of 1981-specification models yesterday sparked off fears of another cut-price car war.

The company insisted, however, that only "several thousand" cars were involved and that this should not disturb the market to any great extent.

The Motor Agents' Association commented: "This new BL campaign is in a different category from the one in 1980. We don't see it leading to the same, lemming-like rush by other companies to cut prices."

However, one of the leading motor trade consultancy groups suggested: "If BL has only a few thousand cars to get rid of they shouldn't shout about it. There has to be a better way. People won't read the small print and will believe all the groups models are involved."

"Also the timing is appalling. The autumn is the time for clearing out old models, not the spring when the trade is picking up again."

Included in the "sale" are the 1981 Rover range, recently superseded by new models, the IAL, the Allegro, which recently went out of production, the Maxi and TR7. Both discontinued some time ago, and the Princess, shortly to be replaced by the Ambassador.

BL said dealers would decide what "sale price" to put on the models. No extra discount is being given by the group — but there are bonuses for dealers who achieve certain sales targets.

A Midlands dealer, for example, is offering a "free" Mini City (list price £2,899) or a holiday for two in Hong Kong or Bangkok for every customer buying a 1981 Rover 3500 Vanden Plas, list price £14,506. And one London dealer immediately offered a 16 per cent discount on a Princess when telephoned yesterday.

Mr Ray Horrocks, chairman of BL Cars, insisted that the group would stay clear of major price-cutting campaigns in 1982: "We have told the dealers that this year the new products will sell on their merits."

Jenkin says no more cash as BL loses engine order

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MR PATRICK JENKIN, the Industry Secretary, stressed yesterday that it was for BL to solve the strike at Leyland Vehicles. His statement came after J. C. Bamford, a big customer for Leyland's engines, confirmed that it had switched to Perkins as its major supplier.

Mr Jenkin said in Manchester: "It is for the company to solve the position as with the strike in the cars division last autumn. It is perfectly clear that the company cannot come to the Government for more money. That is totally accepted."

Bamford says that it will start putting Perkins engines into equipment in the week beginning February 22, when it will have run out of its stock of Leyland engines.

The company has, however, left the door open just a crack for Leyland to supply part of its engine requirements if and when production resumes at the Bathgate plant.

It said: "Our future plans for the use of Leyland engines from Bathgate will depend on how speedily the dispute is resolved and how continuity of supplies may then be guaranteed."

Bamford has been a major customer of Leyland engines for 17 years, and has taken about a third of total engine production under a contract worth £5m annually. It took its engines from Ford before, but switched to Leyland after a strike at Ford disrupted supplies in circumstances very similar to those which have caused Bamford now to go to Perkins.

Motorcycle industry hopes for sales boom

BY JOHN GRIFFITHS

THE UK motorcycle industry is hoping for a boom in the sale of powered two-wheelers because of a loss of confidence in public transport.

It sees a market developing among two types of commuter: those angered by the rail strikes, who are encountering traffic delays in bringing cars to work; and those who face a doubling of fares on London Transport next month when the Greater London Council ends its cheap fare scheme. Big increases are also expected in some other large cities as well.

These are seen as most likely to benefit if commuters desert public transport. Sales of these held up comparatively well in January although Britain was snow-bound.

Moped sales fell by 14 per cent compared with January 1981, but this was far less than for motorcycles, down 54 per cent, and scooters, down 39 per cent.

Total two-wheeler registrations were 9,000, compared with 13,500 in January 1981. The figures are distorted, however, because dealers registered about 2,600 machines in December ahead of legislation for learner-riders which came into force on January 1.

Thus actual sales last month were almost certainly higher than the registration figures indicate.

At the beginning of the year, the industry predicted a total of 300,000 sales this year, against 275,000 in 1981.

Foot promises councils shake-up

BY ROBIN PAULLEY

WIDESPREAD and radical reforms of local government, its legal status and financial powers, was promised yesterday by Mr Michael Foot, Labour leader.

He told the party's local government conference in Sheffield that even before the Law Lords' judgment against the Greater London Council's scheme for low fares on public transport the legal position of local authorities was precarious and absurd.

But the judgment, taken to its logical conclusion, meant that any local authority spending any money on a service that went beyond its statutory duty could be sued by a mean-

minded ratepayer for spending beyond the Government's arbitrary limits and so incurring penalties.

He said: "This is all far too haphazard and no way to serve those who elect councillors to look after their interests."

Historically, if the protection of our people had been left to the judges, we should have precious few freedoms today, Mr Foot added. He promised a change in the law which would restore local democracy.

Mr Foot also promised radical financial changes. Current local government legislation passing through parliament would be repealed as would the entire block grant system.

A new system was needed to leave local authorities free to set their own levels of expenditure and leave central government free to determine its contribution to that expenditure.

Domestic rates, local government structures and council functions would also be reviewed by a new Labour Government.

Mr Gerald Kaufman, shadow environment spokesman, also promised reforms and the repeal of the "crazed and demoralised" attacks on local government by Mr Michael Heseltine, Environment Secretary, which would mean losses of about £2bn for councils in 1982-83.

Health watchdogs survival fight

BY GARETH GRIFFITHS

COMMUNITY Health Councils, the consumer watchdogs of National Health Service districts, believe they are fighting for survival following a government decision to end funding of their magazine next month.

CHC News received a Department of Health grant of £74,000 for 1981-82, which met most of its £78,900 costs. The residue was made up by 1,300 paying subscribers but CHCs received 6,700 copies of the magazine free.

The Association of Community Health Councils for England and Wales argues that CHC News also acts as a valuable information clearing system, helping CHCs monitor the NHS properly. The CHCs were set up during the last NHS re-organisation in 1974.

Mr Marilyn Thomas, chairman of the association, said in London yesterday that CHCs were fighting for survival. In the coming financial year their annual combined budget of £5m had been cut by 10 per cent and there would be a review of the future role of CHCs in the next couple of years.

Changing the funding of the magazine would mean employing extra staff to run an advertising department to finance CHC News.

A parliamentary campaign to have funding restored to CHC News has been launched. Under the Government's proposals, the magazine's funding will end on March 31.

Some Chemical Bank offices for Cardiff

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Shops Bill fails

PROSPECTS of an early relaxation of statutory restrictions on shop trading hours receded further yesterday.

A private member's Bill seeking to authorise Sunday trading by garden centres was strongly opposed in the Commons by Labour MPs sponsored by the Union of Shop, Distributive and Allied Workers and failed to get a second reading.

The council's majority labour group has decided against going to the House of Lords over the Court of Appeal ruling in favour of Mr Heseltine.

The leader of the council, Mr Len Stevenson, said yesterday "with the two High Court Judges and the three Appeal Court Judges it is 5-0 against us and there doesn't seem much point in carrying it on."

Chambers estate

SIR PAUL CHAMBERS, chairman of Imperial Chemical Industries from 1960-68, left estate valued at £39,873 gross, £37,344 net, in his will published yesterday. Sir Paul died on December 23 aged 77.

Tax changes to mortgage payments spelled out

By Ivor Owen

OWNER OCCUPIERS with an average mortgage of £15,000 repayable over 25 years at 15 per cent interest are likely to face an increase of about £1.50 a week in their building society payments from April 1983.

Mr Jock Bruce-Gardyne, Economic Secretary to the Treasury, gave this estimate to the Commons yesterday when discussing the effect of deducting tax relief on mortgage interest at source, instead of through adjustments to PAYE tax codes.

But he said that over the full repayment term the change would be advantageous to borrowers and be rejected a suggestion by Mr George Cunningham (Independent Labour, Islington South) that the Government should seek to persuade building societies to introduce new arrangements to prevent the biggest burden falling on owner occupiers in the earlier years.

Mr Bruce-Gardyne pointed out that it was not the switch to tax deduction at source — to be authorised in this year's Finance Bill — but the repayment systems operated by the building societies which would be responsible for the higher initial payments.

Bathgate buy out possible

PLESSEY announced yesterday a possible management buy out of its capacitor factory in Bathgate, which has been occupied by the workforce to prevent closure.

Mr Harold Jackson, managing director of the Scottish plant, said he hoped to acquire part of the plant to continue capacitor production following the scheduled Plessey closure next month.

In a separate statement Plessey said the proposal could retain 80 jobs and the company would give Mr Jackson every support.

The closure was to make 330 workers redundant. On Thursday Plessey dismissed the 200 workers, mostly women, who have been taking part in the sit-in for the past three weeks.

Call for further reform of Commons

THE NEED for further reform of House of Commons procedures to restore control and improve scrutiny over the executive was urged last night by Mr Edward du Cann, chairman of the all-party Treasury and Civil Service Committee and the Tory backbench 1922 committee.

In a speech to the Manchester Statistician Society Mr du Cann argued that the departmentally related select committees set up in 1979 had been effective, pertinent, informed, influential and a consistent watchdog of the public interest.

Cost of benefits fraud investigators

SOCIAL SECURITY fraud investigators are costing the Government £33.4m a year in pay, expenses and other costs, Social Security Minister Mr Hugh Rossi said yesterday. About 2,250 officers were on the anti-fraud staff at the end of 1981, he said in a Commons written reply.

De Lorean pay offs

ELEVEN HUNDRED De Lorean workers were paid off last night as the Northern Ireland Secretary, Mr James Prior, studied a consultants' report on the structure and viability of the Belfast sports car company.

The Government is understood to be giving high priority to reaching an early decision on action to be taken over the company, into which it has injected £80m.

Norwich drops fight

NORWICH City Council has dropped its legal battle over council house sales with Mr Michael Heseltine, the Environment Secretary.

The council's majority labour group has decided against going to the House of Lords over the Court of Appeal ruling in favour of Mr Heseltine.

The leader of the council, Mr Len Stevenson, said yesterday "with the two High Court Judges and the three Appeal Court Judges it is 5-0 against us and there doesn't seem much point in carrying it on."

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مكتبة النور



Mrs Sally Oppenheim

U.S. boycott... Israel... about... sales... tactics... me... nents... ue

LABOUR

THE WEEK IN THE MARKETS-1

BA hopeful on flights as dispute is made official

BY BRIAN GROOM, LABOUR STAFF

BRITISH AIRWAYS hopes to operate more than 80 per cent of its European and domestic flights to and from London Heathrow airport this weekend, in spite of a decision by the Transport and General Workers' Union to make the ramp workers' dispute official.

Leaders of the 2,000 BA ramp workers at Terminals One and Two were yesterday drawing up plans to mount official pickets. A meeting of TGWU Heathrow shop stewards offered unanimous support.

The ramp workers hope that other workers, such as engineers, maintenance staff, tanker drivers and aircraft refuellers—members of the TGWU and other unions—will refuse to cross the picket lines.

Mr Mike le Corneau, chairman of the ramp workers' stewards, refused to speculate on the level of further disruption which could be caused.

Volunteers, such as pilots and office staff, many of them on their days off, have enabled BA to provide an increasing level of service since the dispute began on Tuesday.

The ramp workers claim they were locked out after they refused to accept new work schedules which form part of the airline's survival plan. Management wants them to be rostered for 40 hours' work instead of the previous 38½ hours, to end guaranteed overtime and to increase the workers' "attendance factor."

Mr le Corneau said that although other groups had accepted extensive changes in working practices, these had

been done by agreement. BA was attempting to impose changes on the ramp workers.

Mr Moss Evans, TGWU general secretary, said last night that the ramp workers were now prepared to accept changes which might even involve job losses, as long as work was resumed under old arrangements to allow a period for negotiation. The dispute was made official after management failed to agree to this.

BA achieved 80 per cent of European and domestic services yesterday. It cancelled 27 departures and the same number of arrivals.

Some long-haul flights went without catering when vehicles did not cross picket lines. Some food got through to aircraft later.

Mr Alan Tuffin, the new general secretary of the postmen's Union of Communication Workers, is likely to swing it to the left and is keen to work with other public sector union leaders on an anti-Government strategy.

Mr Tuffin, the 48-year-old former messenger, who takes over from Mr Tom Jackson in July, was elected by 110,000 votes over the runner-up, Mr Tony Clarke, on a second ballot.

He sees political change in the union as a reflection of rank and file movements by the leadership. These movements, he says, have been partly caused by growing opposition to the Government.

"We are public sector workers. We are not going to get a fair deal under this Government. If the Government are going to use the weapon of cash limits against us they will bring the public sector out against them."

Reluctant to spell out how he will change the union until Mr Jackson retires, Mr Tuffin says the UCU—like all unions—suffers from a certain distance between its officials and its members.

"We have to reconceive workers of the need to belong to unions. We, as officials, have to get closer to the shop floor."

Dockers continue blockade of gates for flood barrier

BY NICK GARNETT, NORTHERN CORRESPONDENT

DOCKERS on the Tees voted overwhelmingly yesterday to continue the blockade of the remaining gates for the Thames Barrier flood control system.

They also voted to continue the 14-week stoppage over pay and productivity which has halted all movements in and out of Tees Dock. The 535 men have rejected a 6 per cent pay offer linked to productivity and want more pay in line with inflation.

The consulting engineers for the Thames Barrier, Rendell, Palmer and Tritton, said yesterday that on the existing completion programme for the scheme it was now "past the point of no return."

That did not preclude, however, revisions to the programme, due for completion in November, to try to make up for lost time.

The huge floating cranes, which will be used to install the biggest of the four remaining gates and which are on loan, are due to be on the Thames ready for work next month.

The vote to refuse dispensation for the gates, carried by 423 to one, immediately followed a meeting where the dockers' strike committee and representatives of the gates con-

tractors, other companies involved in the barrier's installation and the Ministry of Agriculture.

The strike committee was asked to give dispensation in view of safety considerations for London.

Cleveland Offshore, the gates manufacturers, told representatives of the strikers that it was taking legal advice on whether the loading of the remaining gates fell within the dock labour scheme.

The company said earlier this week that it believed that it did not fall within the scheme. The dockers claim it does.

A statement by Cleveland Offshore said that the dockers had "rejected the request that the more should proceed in view of the significantly increased risk to the London area."

Mr Jim Yates, chairman of the local Transport and General Workers' Union branch, said the employers had referred to the threat of flooding towards the end of last year.

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Left swing likely in post union

By John Lloyd, Labour Editor

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Shell may close refinery in dispute on allowances

BY BRIAN GROOM, LABOUR STAFF

SHELL UK yesterday threatened to close its biggest oil refinery on Monday if 1,500 workers do not abandon sanctions over a claim for higher local allowances.

Management at Stanlow, near Ellesmere Port, told members of the Transport and General Workers' Union that they would be regarded as having suspended their contracts of employment by their action.

Shell said it hoped mass meetings tomorrow would resolve the dispute. Other unions representing the plants 3,700 workforce have accepted an 8 per cent rise in local allowances.

Workers at all Shell UK's four refineries agreed to an 8 per cent national pay increase in December. TGWU members at Stanlow are the only group to have refused the 8 per cent rise in allowances.

They began a staged implementation of sanctions on February 1. Internal drivers have refused to accept instructions from routing staff over cab radios. Shell said this meant the refinery was becoming unworkable.

Shell said the glut in the market for petrol and other fuels meant there would not be problems at the pumps or for companies, although Shell could lose business. Stanlow, which accounts for about half Shell's throughput, has been running at 90 per cent of its capacity of 250,000 barrels a day.

The Advisory Conciliation and Arbitration Service is to become involved in pay talks for 210 workers at the Sulom Voe oil terminal in the Shetland Islands next week, after BP refused to increase a 7.5 per cent offer.

Settlement at Borg Warner

By Our Welsh Correspondent

MANAGEMENT and trade unions at the U.S.-owned Borg Warner automatic transmissions plant, Kenfig Hill, South Wales, signed a pay settlement yesterday giving the 1,120 workers increases of up to 12 per cent depending on performance. An overtime ban was lifted at once as a result.

The company said the deal would improve the company's viability and enable it to catch up on a backlog of orders. Earlier this week it warned that the Welsh factory was in danger of closing unless the pay issue was settled by this week.

Call to end ferry blacking

SEAMEN at Holyhead, North Wales, are to be told by their union to stop blacking the Sealink ferry St. Columba and allow it to sail.

The National Union of Seamen fears that the dispute could threaten jobs at Fishguard from where the ferry is due to operate.

Seamen are blacking the ship in protest at Sealink's plan to introduce a Dublin-Holyhead service by the Irish government-owned B & I line. They fear they will lose jobs, and want a second Sealink ferry to operate the route.

Hauliers' pay deals avert strikes

BY BRIAN GROOM, LABOUR STAFF

ROAD HAULAGE employers and drivers in the private hire-and-reward sector seem set to complete their pay round without major disputes. The threat of possible strikes in the South-East, Scotland and South Wales has been averted.

Deals have been concluded or recommended in most of the 21 regional negotiations. They are generally in the 6-7 per cent range, slightly above, compared with 3.2-4.7 per cent last year.

But this year's settlements are higher than some companies in the industry wanted. There are fears that a number of employers will have difficulty in paying the increases.

A 7.2 per cent rise for Scottish drivers, raising the minimum for the highest category

of drivers from £83 to £89 for a 40-hour week, has been recommended for acceptance in a ballot.

Recent agreements include a similar rise in Liverpool, and an 8.5 per cent deal in South Wales, taking the top rate from £78.28 to £85.

A £5 across-the-board increase for heavy goods vehicle grades has been agreed in the North-West, a 6.17 per cent rise in the West Midlands, and 6.25 per cent in Teesside, Darlington, and Bishop Auckland. South-Eastern drivers have accepted 7.4 per cent.

Settlements remain to be reached in Sheffield, the southern area, North and Mid-Wales, Tyneside, Devon and Cornwall and the eastern area.

A.C. Delco strike may hit Vauxhall

VAUXHALL MOTORS has warned production workers at its Luton factory that they could face lay-offs next week because of a strike at one of its major components suppliers.

Output of the Cavalier car could be halted if the strike at the plant in Liverpool continues.

The strike, which began on Wednesday, is over a pay offer which has already been accepted by workers at AC-Deleco plants at Dunstable and Southampton. The Liverpool plant makes instrument components for both the Cavalier car and Bedford vans.

Vauxhall could also be faced with further action by some of its own shopfloor workers over production bonus. There have already been two stoppages at the Luton plant and possibly more will follow unless the company improves on the bonus, say unions.

Union branch protest rejected

The 600 members of the electricians' North London branch, threatened with dissolution by the union's executive council, failed to win a reprieve in the High Court yesterday.

An application by Mr Harry Teat, former lodge secretary, for temporary court orders to stop the executive dissolving the lodge and transferring members elsewhere pending full trial of the dispute, was dismissed by Mr Justice Vinelott.

MINING

KENNETH MARSTON

THIS WEEK, Australia's Western Mining, for instance, which is regarded as one of the world's finest mining investments for the long term has reported an 80 per cent fall in half-year net profits to A\$6.51m (£3.55m) and this after a tax credit of A\$5.11m.

Furthermore, the company has said that the continuing depressed demand for metal, notably nickel, coupled with high interest rates and increasing costs means that profitability is expected to remain at a low level in the second half of the financial year to end June.

The shares have thus fallen to 217p from 235p this week and brokers Hoare Govett, still regard them as fully valued for the time being. But they look for a good recovery in metal prices during the year to end June 1983 and thus forecast an increase of 100 per cent in Western Mining's pre-tax profits for that period.

The U.S. Asarco giant—in which Australia's MID Holdings has a stake of 16 per cent and plans to increase this to 21 per cent—has gone into the red in the final quarter of 1981. Helped by sizeable tax benefits, however, the U.S. mining and metals group has managed to show a profit for the full year of \$30m

Sterling's growing role

STERLING'S GROWING ROLE

It has become a growing feature of the stock markets this year and particularly in the three week period which closed yesterday that U.S. interest rates do not impinge quite so heavily on gilts and equities traded in London.

LONDON ONLOOKER

Other traditional pointers seem to be losing their edge, too. Sterling M3's erratic progress has been overtaken by exchange rate policy as the arbiter of interest rates on this side of the Atlantic and so the news that money supply had been swollen 14.1 per cent in banking January was not the signal for alarm that it might once have been.

The pound's international status matters more, it seems, and the currency's steadiness toward the end of the week kept Government stocks and leading shares in tolerably good heart.

It certainly doesn't hurt, of course, that the Fed still has not been persuaded to react too violently. Not that the recent extravagant growth in U.S. money stock can be ignored completely. Normally the week's change in M1 is announced in the hour or so after the Bank of England likes to unveil a new gill-edged issue.

This week, however, the Old Lady was playing safe, unwilling to deliver a tap into the sometimes stormy aftermath of another M1 increase. So the authorities launched the new short tap, Exchequer 13½ per cent 1987, on Monday.

Falling volume and higher taxes sent the cigarette business into a phase of cut throat competition. And some of Imps' recent acquisitions started to go badly wrong.

Last July, the group announced a sharp fall in interim profits, and a hurried change of chairman. A dividend cut seemed more likely than not.

This week, by contrast, Imps reported a strong recovery in profits during the second half—admittedly before taking some substantial extraordinary provisions into account. And Mr Geoffrey Kent, the new chairman, said that all aspects of the business were being reassessed with a view to achieving a substantial increase in profitability.

The dividend was maintained—and, what's more, was covered by current cost earnings.

The task of reshaping Imps has only just started, and there are plenty of hurdles in the short term—like the threat of another rise in excise duty in next month's Budget, and the indications of a renewed outbreak of hostilities among the cigarette makers.

Still, the group's profits are significantly higher so far in the current year, and Mr Kent is saying the kind of tough things that Imps' shareholders have been waiting to hear for years. The shares have been rallying for several months now—and with the yield still around 12½ per cent, they could have some way left to go.

Trident Television looks to be in the running for a five card trick with its handling of the Playboy casino empire takeover. The "A" shares were 51p

when the deal was announced on November 3. They had climbed steadily to 70p by the beginning of this week as the truth dawned in the market that even the threatened closure of the three London casinos might not leave Trident much out of pocket.

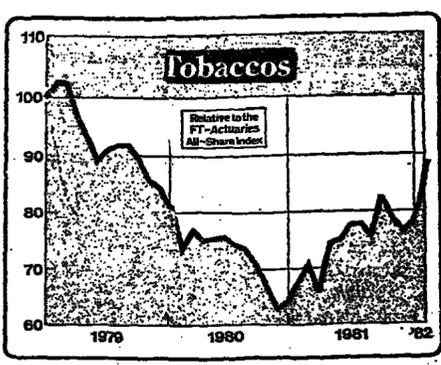
Trident turned up another ace on Wednesday, announcing that the Gaming Board had dropped charges against the casinos and allowed Trident to apply for new licences on the Playboy and Clermont clubs in May. In exchange, Trident will close these two clubs for gaming pending the May hearing.

This means some immediate redundancies and the end of the whole Playboy ethos. But smiling shareholders outnumbered the long-faced bunny girls—the shares leapt up to 87p before profit-taking pulled them back a few pence late in the week.

The London casinos together earned £16.6m pre-tax in the year to last June. Assuming a full year for the Victoria and one quarter only for the other two—and apportioning 1981 profits on a pro rata basis—Trident will earn about £3m pre-tax from gaming this year to September. It anticipates £1m from its new betting shops and probably earned over £2m from its discontinued television earnings in the three months to December.

This adds up to a conservative fully taxed 6.3p per share and a maximum p/e of 14.1 at 87p per share. But a full year of casino profits at their old rate would alone mean 16.6p per share for 1982/83 which implies a p/e of 5 at this level.

The shares retain some risk. Licences could be refused in May on grounds of inadequate demand to justify a reopening of the Playboy and Clermont clubs. But Trident only needs one more ace card in May—which the go-ahead for both



clubs would provide—to complete the low teens where as early last autumn, the p/e was some 10 points higher. Whichever view turns out to be correct, today's rating still seems to make due allowance for Dowry's strong technical position in competitive world markets and a very good track record.

Dowry slips

Is the stock market now making a more realistic assessment of the prospects for aerospace and mining equipment? The interim results from Dowry, by contrast to the preceding preliminary results, suggest that it is.

Dowry is heavily involved in each area. Well over half its trading profits stem from aerospace and much of that is made up of the Tornado programme. It also has powerful representation on both sides of the Atlantic in long wall mining and, principally through Dowry Meco, another 25 per cent of its profits come from this source.

Six months ago, when Dowry had ruled the books off on the year to March 1981, the reward for a mere £1.7m fall in pre-tax profits to £36.2m, was a pronounced share price slide.

The immediate reaction to a fall of 18 per cent over a fall of £1.7m in the subsequent six months was another sharp drop but a good recovery was under way by the end of the week.

Dowry had made it fairly plain that it was not expecting to keep up the earlier momentum in aerospace and, with a slower call-off on Tornado schedules which are worth some £250,000 per "set" to the group, so it proved. Aerospace was down by about £1m before interest and tax to just under £10m.

Yet mining turned out rather better than expected. However, the NCB investment programme may be, the division has done well in export markets and its contribution at £4.7m was double that of the preceding six months. The industrial business picked up a little volume with some help from the railway marshalling side but the electronics division slipped badly from £1.41m to £804,000. The upshot is that the shares

Wood Hall Trust

Last Monday Elders DXL, the Australian industrial and farming services group, launched a dawn raid on Wood Hall Trust, the UK group offering 200p a share against an overnight price of 156p. By Wednesday Wood Hall had accepted a cash offer of 215p a share, valuing the company at £33.6m. This compares with Wood Hall's stated net worth of 168p a share.

Elders' chief executive, Mr John Elliott, has made it clear that his company needs to expand outside its Australian base in order to fulfil its growth targets. In fact the main point of the deal lies in Wood Hall's Australian interests which made £9.5m pre-tax profits last year. It was UK losses that brought the total pre-tax figure down to a depressed £4m.

Wood Hall's subsidiary, Australian Mercantile Land Finance Company, has 14 per cent of the Australian pig iron market. Elders already has 37 per cent through one of its subsidiaries. Elders is Australia's largest international trader.

Last year Wood Hall's subsidiaries, involving good contracting and estate management, lost almost £7m. Mr Elliott said he is looking very carefully at more business picked up a little volume with some help from the railway marshalling side but the electronics division slipped badly from £1.41m to £804,000. The upshot is that the shares

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1981	1981	
	Y'day	on week	High	Low	
F.T. Ind. Ord. Index	570.5	-7.6	597.3	446.0	Nervous about Wall Street
Aaronson Bros.	37	-8	87	32	Poor annual results
Bougainville	66	-9	112	64	Profits down 48% div. cut
Douglas (Robert M.)	75	-8	87	54	Poor interim results
Erskine House	55	+11½	63	25	Large put through
FNFC	37	+3½	37½	19½	Bid speculation
Gold Mines of Kalgoorlie	270	-30	560	270	Profits fall/no interim div.
GKN	166	-20	188	127	Adverse comment
Healman	96	-21	117	86	Int. results disappoint
Imperial Group	87	+7	87½	52½	Annual results
Inter-City Investments	34½	+14	34½	9	Near 26% stake changes hands
M. L. Holdings	265	-40	350	215	Half-year results
News International	98	-10	133	85	"Times" closure threat
Pengaklan	320	-130	450	90	Fading bid hopes
Saga Holidays	171	+10	179	77	Buys Laker Air Travel
Standard Industrial	43	+7	130	27	Speculative buying/int. due soon
Trident TV A	89	+19	89	36	Hopes about casino licences
Western Mining	217	-21	335	215	Half-year profits down 80%
Westland	108	-14	154	80	Profits warning
Wood Hall Trust	215	+58	215	86	Bid from Elders

Before the tide starts to turn

IS THERE, I wonder, a kind of grim satisfaction in mining markets at the moment as the remorseless tide of depressing company results flows on? Is there a feeling of "I told you so" mingled with the anticipation of bargains to be had as companies reflect only a fraction of the value of good paid-for mines and installations?

At all events, there has been plenty of scope for such feel-

ings (£27m) which goes against \$237.3m in 1980.

Mr Charles F. Barber, the Asarco chairman, says that despite the recession the company is pressing on with its capital investment programme in new and modernised plant. Last year \$163m was spent on capital improvements and the company has budgeted for a further \$140m this year.

Although earnings are now minus, Asarco, like other U.S. companies can continue to carry the high capital expenditure programme with the help given by last year's Economic Recovery Tax Act.

This legislation recognises the fact that tax credits arising from capital spending are not much use to a company which is paying little or no tax because of its low profits.

So the companies are allowed to operate a lease-back system whereby a mine and plant, say, are sold to another company and then are rented by the original owner.

The sale is allowed to include the attaching tax credits which can be made use of by the more prosperous buying company. The seller benefits from the income received from the sale of the mine and plant—which it continues to operate—and the terms of the leasing arrangement provide for the mine and plant to be eventually returned to the seller for a nominal sum.

Two more of the Rio Tinto-Zinc group companies have announced results this week. The big Bougainville copper and gold mine in Papua New Guinea has reported a 62 per cent fall in 1981 earnings to K23.79m (£17.4m), a return on capital of only 3.9 per cent. And on the present showing the company does not expect any improvement this year.

Of course, a recovery in copper and gold prices would quickly change the picture. In the meantime, however, the results of the controlling company CRA are due next week and will be swayed with a fair degree of caution. However, it held up reasonably well at R48.6m (£26.7m) compared

with last year's high of 302p is discounting much of the worst.

Whether this can be said of the price of the ultimate parent, RTZ, is a moot point, but holders of this stock tend to take the longer term view and may well be proved right.

On the other hand a dividend yield of 5 per cent on a South African copper mine can hardly be justified at the moment and so RTZ's Palabora which gives such a return has

with R53.1m a year ago.

A helpful factor has been good earnings from the coal interests which should continue to do well in the second half of the year to June 30. But the gold, diamond, platinum and industrial interests remain subdued and so the overall income will probably continue to decline. Even so, it should still be possible to maintain the 600 cents (32p) dividend total.

A good performance has been achieved by the Gencor group's

ducers. But UCI has raised its 1981 final dividend by 10 cents to 115 cents which makes a year's total of 160 cents against 150 cents for 1980.

What of the Canadian mining investment scene? The Burns Fry investment house has carried out a new study with the encouraging title "1982—The Year of the Metal." It is considered that among the base metals zinc and copper will be the first to recover with aluminium a nickel following in 1983.

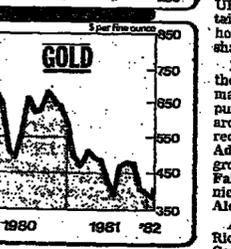
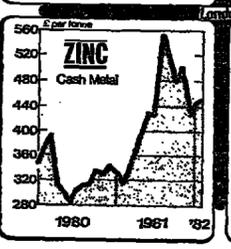
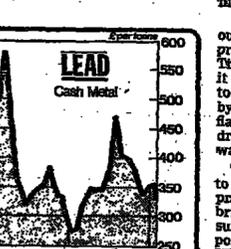
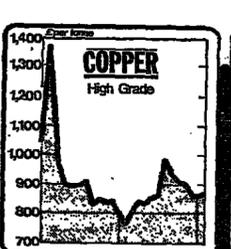
Gold is expected to bottom out this year with an average price of some \$400 per ounce. The Canadian brokers say that it has the potential to rebound to at least its old high (\$850) by 1984 "unless the war on inflation is won and inflation drops back to the average post-war levels."

The unsettling though occurs to me that when base metal prices take off, they may set off a deflationary pressure to bear on major metal exporting countries such as the UK. This is one reason for maintaining an "insurance policy" holding of a few good-class gold shares in any mixed portfolio.

Burns Fry take the view that the current weakness of mining markets should be used to make purchases. The stocks favoured are: Gibraltar Mines for copper recovery, Noranda or Kennecott in the copper-zinc group, Cominco for zinc alone, Falconbridge and Inco for nickel recovery. They also like Alcan, Denison and Brinco.

Another investment house, Richardson Securities of Canada, reckons that prospect for earnings of the major metal mining stocks do not appear particularly attractive for the first half of the year but should, cautiously, "some upturn" be seen in evidence before the year end.

Stocks recommended include Comoco, Falconbridge Nickel, Inco, Rio Algom, Alcan and Noranda. But neither firm gives the impression that there is any need to rush into the market at the moment.



been out of favour in the market this week following the rather more than halved profits and dividend for 1981.

On a more cheerful note, first half results from the Johannesburg Consolidated Investment (JCI) South African mining and industrial group have made a creditable showing this week. Despite the fall in revenue from gold mining, net profits have held up reasonably well at R48.6m (£26.7m) compared

with R53.1m a year ago.

A helpful factor has been good earnings from the coal interests which should continue to do well in the second half of the year to June 30. But the gold, diamond, platinum and industrial interests remain subdued and so the overall income will probably continue to decline. Even so, it should still be possible to maintain the 600 cents (32p) dividend total.

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THE WEEK IN THE MARKETS =2

FINANCE AND THE FAMILY

A touch of the Budget jitters

WALL STREET suffered from a bout of Budget shock this week and will go on suffering from it, judging by the profound sense of scepticism that has taken hold at the moment.

Reagan Administration's latest Budget plans extend and, as expected, contained deficit projections for the next three years that exceed the original target. This year's deficit is projected at a near \$55bn target. The Administration's promise of a budget surplus by 1984 means that the deficit has been turned into a surplus of \$83bn that year.

NEW YORK

DAVID LASCELLES

These deficits represent the very best the country can hope for. The Budget must run the gamut of Congress in the months ahead before it gets on the statute books, and Capitol Hill is in no mood to approve either the large spending cuts or big tax increases that will be needed to hold the deficit down.

Tread softly on CGT

AN INDIVIDUAL'S capital gains tax exemption on his house seems as fragile as it is valuable. Unless he exercises great care in the way he uses his house, the exemption may be lost or cut down.

TAXATION

DAVID WAINMAN

will understand why that "exclusive" business use removes his exemption on one third of his capital gain. What is much more difficult is to know just where the line should be drawn if the "business" use is not exclusive, and the line becomes even fuzzier.

Assigning a life policy

BY OUR LEGAL STAFF

I have approached several life insurance companies with the view in the event of my death to assigning the proceeds of a policy to an unrelated third party. One says it cannot be done except by will and another said the same but later amended that it could be assigned to a bank or building society. Three said there was no problem, and the matter could be settled by a simple trust deed.

Builder and sub-contractor

Some four years ago a local builder carried out repair work to my roof. He employed a sub-contractor, but I paid the builder. Now the roof leaks and I have asked the builder to attend to it under the terms of the five-year guarantee which was issued at the time. The builder has attempted without success to contact the sub-contractor. The builder points out that it was the sub-contractor, not himself, who gave the guarantee.

Payments from ex-husband

I recently divorced and returned to live in England after an absence of many years. My ex-husband sends me a monthly sum from overseas, which, although mentioned in our divorce papers, is a voluntary contribution on his part. Shall I be expected to pay tax on this regular contribution?

Legacies to minors

I refer to your reply under Legacies to minors (January 2), in which you advised an executor to set aside a fund to pay legacies to minors until they attain majority or pay the money into court.

Village green on common land

The ownership of my property includes a small area of "grass verge" to the edge of the road. My deeds and accompanying sketch divide the whole into "red" and "green" land, the "red" being conveyed with full freehold title.

Monday

833.43 - 17.60

Tuesday

830.57 - 2.86

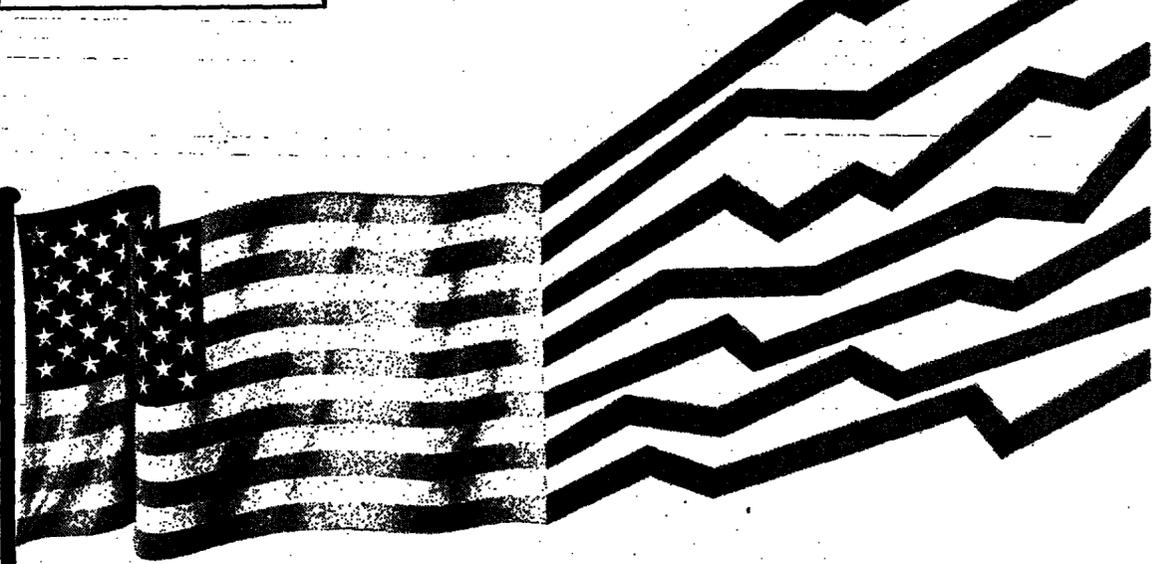
Wednesday

836.66 + 6.09

Thursday

834.67 - 1.99

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UNIT TRUST AND INSURANCE OFFERS

Table with 2 columns: Company Name and Page. M & G Group (1), Hambro Life PLC (5), London Life Association Limited (6), Gartmore Fund Managers Limited (15).

Today's Rates 13 1/4% - 14 1/4%. Finance for Industry Limited. Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years.

INITIAL OFFER OF UNITS AT 25p UNTIL 5th MARCH 1982. 1. The trust is authorized by the Secretary of State for Trade and is constituted by a Trust Deed dated 29th January 1982. It is a "Wide-Range" investment under the Trusts Investments Act 1961.

APPLICATION FOR UNITS IN ALLIED HAMBRO AMERICAN SPECIAL SITUATIONS FUND AT 25p EACH. Includes fields for name, address, telephone, and investment amount.

YOUR SAVINGS AND INVESTMENTS=1

Barry Riley reports on the progress of the traded options market where the outlook remains optimistic

More players still wanted

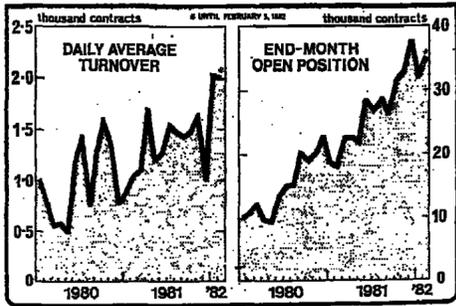
DEALERS in the London Traded Options market have been looking a little chirpier of late. In the first five weeks of the year volume stayed at an encouragingly high level—averaging over 2,000 contracts a day—and with volume hitting 3,557 contracts on Thursday this week the market's sponsors remain optimistic that the long struggle to achieve viability is showing clear signs of success.

At a volume of 2,000 contracts a day it is reckoned that the Stock Exchange—which takes a share of the clearing fees—is just about breaking even on the traded options market, for which it provides floor space and administrative services.

Some of the broking firms heavily involved in options are reckoned to be making modest profits on the business. It could be that volume is still not quite high enough to make option trading profitable for the jobbers, though it is not always easy to separate this business from their other activities. And in recent months, after all, several prominent firms of jobbers have found it impossible to make profits even from straight equity business.

Despite the recent improvement in volume, the efforts to attract more and more participants to the options market are continuing. The market is reckoned to be chronically short of the speculatively minded private investors who are the natural buyers of options to counterbalance the institutions who are regarded as the natural writers.

The writer of an option is normally—though not always—an investor who holds the underlying share and is keen (in the case of a call option, for instance) to reduce the downside risk of holding it by selling an option for cash. The



option is typically bought by an investor who is willing to accept a high risk in the hope of obtaining a high return. The traded options market therefore serves the purpose of shifting risk between different investors.

But at present the prices of options are reckoned to be unduly low, because of the dearth of buyers. The effect is to make writing options less attractive. Despite this the recent level of volume has been quite high, which probably reflects the high degree of nervousness amongst institutional investors about the ability of the equity market to hold its relatively high current level.

To improve the popularity of the market the Stock Exchange is continuing its campaign to educate the investing public. This is maintaining a programme of seminars—one is being held in London next Tuesday—with another in Bristol before the end of the month—and several video presentations have been produced. The 100,000 initial print

of the Stock Exchange's traded options booklet has been exhausted, and more are being produced.

Looking back at the near four-year history of the traded options market, David Steen, a member of the Stock Exchange Council, admits that the learning curve has been slower than many imagined at the beginning. But he adds: The fruits of the work we have been doing are beginning to ripen.

Thus the Stock Exchange's Traded Options Evenings are usually oversubscribed, and business in promising centres of private investment such as Jersey and the Isle of Man is expected to expand once the Stock Exchange's TOPIC electronic information system reaches such offshore havens.

On the institutional side the task now is to get the pension funds more involved. Although the tax problems which once inhibited them have been mostly resolved, they remain shy of the traded options market, leaving it to the insur-

ance companies and, to some extent, the investment trusts.

As for private clients, David Steen admits that too many burned their fingers back in 1979 when the traded options market boomed in a brief spell of pre-election glory. It is taking a long time to woo investors back.

All the same, the number of brokers active in the market is rising. Last September eight broking firms accounted for 60 per cent of the open interest, a figure which has now dropped to about 45 per cent reflecting the broader participation in the market.

The number of classes of options is steadily being increased to broaden the attraction of the market. A "put" option in Barclays Bank was recently introduced, for example, and in due course the "put" classes will be as numerous as the calls—though they are only 12 against 18 at present.

But according to one leading broker in the market, the small number of underlying equities in which options are traded is still a seriously inhibiting factor. The Stock Exchange is moving only slowly here: the next step could be the introduction of an engineering share, probably Hawker Siddeley or Guest Keen.

Meanwhile the relatively small scale of activity is inevitably a limiting factor. One private client broker bitterly complains of the lack of volume and predictability in the market.

At present his firm are not encouraging people to use the traded options market because they are not confident of their ability to deal. But in principle, he says, "it is a lovely market."

SINCE Robert Fleming and Touche Remnant, two of the largest investment trust groups, announced last December plans to revamp their trusts, industry watchers have been buzzing with rumours of more change. One candidate for reorganisation is Drayton Montagu, which has trusts worth around £450m under management. Drayton Montagu is part of Samuel Montagu, the merchant banking group, which in turn is owned by Midland Bank.

Mr David Stevens, chairman and managing director of Drayton Montagu Portfolio Management, dismisses the suggestion of any wholesale reorganisation of the group's 13 trusts. But he admits there is some fine tuning going on and an attempt in some of the poorer performing trusts to map out a more definite investment strategy. The whole process is being undertaken in a rather low key manner, true to City tradition.

The group has come under attack in the past for the dismal performance of its three largest trusts, Drayton Commercial, Drayton Premier and Drayton Consolidated. In addition, the share portfolio of these three trusts has been criticised for its remarkable similarity in the past few years. Another bone of contention has been the sizeable crossholdings between the investment trusts.

David Stevens accepts some of these criticisms but is at pains to show that the group has some successes to its name in two top performing North American trusts and one high-flying Far East trust. In terms of assets, however, these trusts are dwarfed by the bumbling trio of Commercial, Consolidated and Premier.

So why have the trio sunk to the bottom of the performance tables? Well, Stevens points out the trusts "had quite a lot of money in mining, natural resources and oil stocks. We did not get out of these quick enough."

The past 15 months have seen an internal reappraisal of these trusts. Shareholders in Drayton Premier, which include the National Coal Board Staff Superannuation Scheme and

A continuing facelift

ROSEMARY BURR looks at the problems of the Drayton Montagu investment trust

Trust	Net assets	Return	Share price
	£m	% over 5 years*	12/7/82
Drayton Far East	14	85	28
Montagu Boston	7	69	28
British Industries & General	9	180	251
Colonial Securities	11	71	161
English & International	77	138	172
City & Foreign	4	91	128
Drayton Consolidated	85	243	155
Drayton Premier	97	307	151
Drayton Commercial	61	222	765

* Total return on net asset value over five years up to December 31, 1981 using 100 as a base.

Source: Investment Trust Association based on closing prices as at 12/1/1982

Royal Insurance, were given the chance for greater specialisation and turned it down. The discount on Premier's shares improved from 34 per cent to 22 per cent over the year to December 31, 1980. In line with many investment trusts Premier's shares have risen over the past few weeks, and the discount is currently around 24 per cent.

Drayton Consolidated's board also had discussions about choosing a more specialised strategy back in September 1980. The fruit of these talks was the decision to increase the trust's exposure to special situations, such as recovery prospects and smaller companies, both listed and unlisted in the UK and overseas.

By September 30, 1981 such investments exceeded 10 per cent of the portfolio and this percentage is being increased. The proportion of unlisted companies in the portfolio has risen to 7.5 per cent from 4.5 per cent and is likely to go on rising.

Drayton says large shareholders were aware of the change, which has been emphasised in the relevant report

and accounts. The change was never formally put to shareholders.

The discount on Drayton Consolidated shares has narrowed since September, when it stood at 34 per cent. This week the discount had fallen to 21 per cent as the shares rose to 191p—a high for the year.

As for Drayton Commercial, it too has taken the first steps along a new route. In December 1980, the company revealed in its annual report of its intention "to increase the overseas content of the company's portfolio over the medium-term from the current level of approximately 35 per cent to over 50 per cent with the increased investment being largely directed towards the North American market." It seems logical that this policy of investing overseas will be continued.

Drayton Montagu contrasts with many investment trusts groups in the emphasis it places on the Far East. As a director, Alexander Reid, says, "we have double the average weighting of the average trust placed in Japan, and half to two-thirds the average in the U.S. We still think this is appropriate."

The group is proud of its record of Japanese trusts and



Mr David Stevens

fund. It has four people in London researching Japan and each one spends two months a year visiting the Far East. Drayton is very bullish on the Tokyo market which it describes as "the most defensive of equity markets in the world."

Mr Ian Henderson, a director of London and Manchester Assurance, which has disclosed shareholdings in Premier, Drayton Commercial and Drayton Consolidated, has been too happy about the performance of the stable's general trusts. "In my personal view the general trusts have been unsatisfactory but the group does have expertise in the Far East, particularly Japan."

How would Stevens respond to critics who argue the group has not moved quickly enough into greener pastures? Basically he says it is easy to criticise from the back seat but is optimistic that "as the policy develops, the performance of the funds will diverge and they will be more and more divergent." There might even be a tidy solution to that thorny problem of cross-shareholdings, which would go a long way to quietening the group's critics.

Drayton Montagu feels its piecemeal approach to its major trusts' identity problem has paid dividends, since it has avoided a head-on clash with institutional shareholders of the sort currently facing Fleming. But the group still has some way to go in rebuilding the credibility of its three large unit trusts, which should be its flagships. Further fine tuning may be necessary.

Nationwide in action



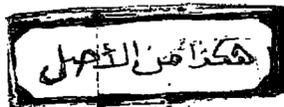
Nationwide is supporting the renovation of the Inkermann Barracks near Woking, Surrey in a development particularly aimed at first time buyers.

Nationwide is participating in schemes designed to give extra help to two big present day problems—first time buyers and inner city decay.

Over half Nationwide's lending now goes to first time buyers many of whom are on lower than average earnings.

Nationwide is also contributing to urban renewal programmes in the city centres of Liverpool, Manchester and Belfast, where housing improvements are urgently needed.

It pays to decide Nationwide



Don't be yesterday's investor

LAST YEAR'S glittering investment opportunity may be the worst home for your money today. In a world where currencies fluctuate violently and interest rates move frequently, inertia can be expensive.

Over £300m is invested in British Savings Bonds offering a net return of 6.65 per cent after basic tax. Even the Department of National Savings says "this is not a very competitive rate."

British savings bonds were withdrawn from sale in December 1979. Holders of the bonds continue to get interest payments until maturity when they will receive a tax free interest bonus. The interest throughout the life of the bond is paid gross but is subject to income tax.

The most recent figures, available for December 31 1981 show that £314m was invested in British savings bonds. There are £30,000 separate holdings and the Department of National Savings says that taking into account multiple holdings, the actual number of investors "is well into six figures."

There are three issues outstanding:

- 9 1/2 per cent First issue, 56,000 holdings with a total value of £22m.
- 8 1/2 per cent Jubilee issue, 274,000 holdings with a total value of £174m.
- 9 1/2 per cent Second issue, 200,000 holdings with a total value of £118m.

The 9 1/2 per cent First issue has a terminal bonus of 3 per cent while the other two issues have 4 per cent bonuses. Once a bond matures, no further interest is paid. The holder is notified that the issue has matured, and must then apply for repayment. The department says all too often people leave the money not earning interest.

All the 9 1/2 per cent First issue matured during January, so anyone holding this stock should make sure they have applied for the redemption payment.

Fifteen thousand holders of £5.25m worth of the 8 1/2 per cent Jubilee bonds issued between December 16 1976 and June 15 1977 should find a letter on their doorstep today informing them the bonds will be repaid on June 15 1982. Investors will receive 104 per cent of their capital. Anyone who does not get a letter together with an application form for repayment should write and ask for one.

Other holders should look carefully at the higher rates of interest being offered elsewhere and see whether it is worth hanging on for the 4 per cent tax bonus on maturity. The department of National Savings says "if you've got a holding within two years or more to run then it's common sense to suggest you would be better off elsewhere." The bonds mature at different dates up to August 1985.

In general interest is paid up to the date of encashment. One month's notice in writing is required before cashing bonds. Anyone wishing to cash in their bonds or get a repayment form should write to the Bonds and Stock Office, Marton, Blackpool, FY39YP.

Don't all pension schemes for smaller businesses provide the same benefits?

NO.

A tailor-made VIP Scheme provides the smaller business with an easy-to-administer pension and life assurance package that's as flexible and comprehensive as a large company scheme and is backed by London Life's excellent performance record.

It's easy to assume that all insurance companies are much the same, with each one offering pension schemes that have little to choose between them. But that's not the case at all. London Life is different. For a start, it doesn't pay a single penny in commission—either to intermediaries or its own staff. What's more, London Life is a mutual company, which means that profits are passed on to policyholders and not to outside shareholders.

Differences like these enable London Life to offer a pension scheme for the smaller business that stands out from the rest—the VIP Scheme.

Through the VIP Scheme, an employer can provide selected employees (from directors and senior executives to general members of staff) with an exceptionally attractive pension package which has the special feature of allowing an employee to take his accrued benefits with him without penalty should he leave the company's service.

To find out more about the benefits that the VIP Scheme offers your company and its employees, please complete this coupon. We'll send you full details, right away.

To: John Lowe, The London Life Association Limited, Freeport, 100 Temple Street, Bristol BS1 6YJ (no stamp required).

Please send me details of London Life's VIP Scheme.

Name _____

Address _____

Date of Birth _____

Tel Nos: Business _____

Home _____

(If you prefer, you can call John Lowe on 0161 9161 to discuss your requirements personally.)

A better value pension plan from a different kind of company. London Life.

Rosemary Burr

YOUR SAVINGS AND INVESTMENTS-2

Rosemary Burr reports on a £12m-a-year problem for the banks

Fighting the plastic rip-off

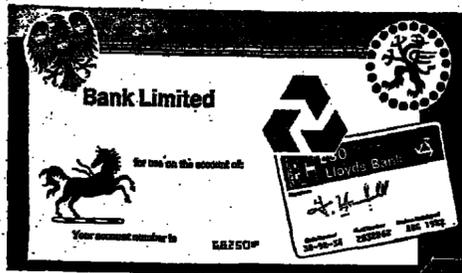
SIXTEEN MILLION small pieces of plastic are costing the banks clearing banks about £12m a year. The culprits are cheque guarantee cards. So concerned have the banks become at the size of the losses and changes in the cards' design has become a priority.

A joint working party set up by the clearing banks on the subject has come up with a series of recommendations which have not been made public. These are believed to include altering the design of the card, and limiting the card's use to the UK.

The banks are fairly cagey about the whole thing. However, it looks as if some decision on what to do about the guarantee cards will emerge in a few weeks time. The losses are largely the result of people stealing chequebooks and clearing chequebooks and having a field day writing cheques. In addition, some of the losses are simply bad debts, when the customer is unable to settle the cheques written.

The banks' concern is not new. Heavy losses have been the main factor preventing the clearers from increasing the amount per cheque which can be guaranteed. In spite of inflation, this amount has remained at £50 per cheque since August 1977.

National Westminster cus-



tomers are being encouraged to have chequebooks with only 25 cheques instead of the larger ones with 50 cheques each. But it is still possible in certain circumstances to get the bigger chequebooks.

The main trouble with cheque guarantee cards is that it is very easy for someone who has stolen the card and chequebook to alter the signature on the card. The banks are now looking at ways to avoid this.

Another means of increasing the security of cheque cards would be to insist on the card holder's photograph. Mr Terry Hollis, assistant general manager of Midland Bank and chairman of the banks working party on cheque cards, thinks this option is less attractive than

changing the strip on the back of the card to make it more difficult to tamper with the signature.

"The problem is the sheer logistics of getting the photos," he says. "There also might be some problem of customer reaction, although people are now more used to having photos on cards."

Some bankers feel retailers ought to be encouraged to police the system more actively. It is difficult to see how this could be achieved, but one idea would be some sort of incentive scheme for sales staff who spotted forged signatures.

The 18m or so cheque guarantee cards in issue are uniform in format, so any change is

likely to apply to them all. However, the banks individually are also looking at ways to stop the losses overseas.

There are two main options. The first would be to issue a separate cheque guarantee card to be used outside the UK. This would be inconvenient for customers. The second would be to issue Eurocheques which could be used abroad. These would have a two-fold advantage to the customer.

Cheques could be written directly in local currency and used in shops and banks and each cheque could be written for the equivalent of £75, since that is a standard European figure.

At least one of the big four clearers has been rumoured to be on the point of introducing Eurocheques for some time. The losses from cheque guarantee cards may nudge it into doing so. Once one bank has made the move, it will be pretty difficult for the others not to follow suit.

Meanwhile each week 65m cheques are written, so the potential for fraud is enormous. Making millions of new high security pieces of plastic will be quite expensive but it's an investment the banks cannot afford to delay.

Televised death wish

IT IS NO LONGER a novelty for life companies to advertise on television. This week viewers are being urged by the Prudential not to rely solely on the State for their pension, while the Pearl is offering the opportunity to save through its unit-linked life schemes.

The Pearl has adopted a new approach in putting its message across. The advertisement in the Thames TV area has two commercials. The first shows two men playing snooker, with one discussing the latest Pearl booklet with the other. The second switches to their wives drinking coffee in the kitchen with one woman giving exactly the same message to the other as did their husbands.

The Pearl claims that this is the first direct appeal by a life company to women as savers. It certainly reflects the growing change in social patterns in the country.

More women now have their own money available for saving and the Pearl hope to bring their attention to the opportunities beyond the banks or building societies. Secondly, more couples are making joint decisions over the family savings. A growing number of savings contracts are in joint names of husband and wife.

If the contract is in joint names, then the return on savings can be made higher if payment of the guaranteed death benefit is delayed until both partners are dead. F.S.

Making the banks tell

IF YOU think quangos only serve to feather the nests of their officials, then Jeremy Mitchell hopes to prove you wrong. For Mr Mitchell is at the helm of a seven-year-old quango, the National Consumer Council.

This week the Government asked the NCC to delve into the vagaries of personal banking. The request follows a recommendation from the Office of Fair Trading about the need for an inquiry into personal banking services.

Most of the NCC's time is spent researching consumer's views on subjects the council chooses. The council also acts as a lobby group and has recently done the back-up work to support a House of Lords Private Member Bill, which if passed would remove all restrictions on shops' opening hours.

Bank charges for cashing cheques, opening hours, mortgages, advertising and automated payments are on Mitchell's shopping list. Mitchell is very excited about the investigation—"it is the first ever comprehensive look at banks from the consumer point of view," he says.

The NCC took a look at personal credit last year, which concluded that some consumers find banks forbidding places. Mitchell is particularly keen on communication, especially in the case of bank charges. "As



Mr Jeremy Mitchell

an ordinary consumer I see bank charges on my statement but there is no explanation about how they were assessed. I've never understood why banks couldn't give an account of how the charges were reached on the bottom of the statement."

He also thinks banks should communicate more directly with their customers rather than through the Press. Once he had to pay bank charges and rang his manager to find out why. The reply was that his balance had fallen beneath £100—but Mitchell said he was unaware the amount he had to keep in his account to qualify for free banking had been in-

creased. On being asked when he had been informed of this change, his manager replied to the effect it had been mentioned in the Press.

Mitchell says he is going into the investigation with an open mind and his recommendations will be based on a survey of consumer opinion. "We will be looking at bank hours. About half the people in this country don't have bank accounts and the hours may have something to do with it," he adds.

Mitchell also thinks the banks might be selling themselves short. "I can't remember the time I got a leaflet on one of their services," he says. "Yet they have got a golden opportunity to reach their customers whenever they send their bank statements. It's a direct mail shot."

NCC will probably take about a year to draw up a series of recommendations. It has no formal power to enforce these. Mitchell says: "I would expect there will be some direct recommendations for the banks. Whether we will also suggest legislation is too early to say. It would be up to us to convince the government."

Meanwhile Mitchell says he cannot get involved in individual complaints. "I can't take up individual cases. If someone cannot get satisfactory answers from their bank, they should go to the Citizens Advice Bureau."

R.B.

1982... the year to buy British

UNIT TRUSTS investing in overseas equity markets have taken the limelight over the past two years, with a steady stream of new trusts coming on the market. Managers have been singing the praises of the Japanese, U.S. and Australian markets—and the UK funds have been pushed into the background by all this glamour.

But some unit trusts groups now feel that UK funds will make a comeback in 1982. This is the main theme of the latest bulletin from Dudley Howard of HK Unit Trust Managers—the unit trust arm of the Hong Kong and Shanghai Bank—and it is echoed by other managers.

This may be more than a mere marketing exercise. The UK market is putting up a good performance at present compared with the rest of the world—as can already be seen in the unit trust performance tables issued by Planned Savings for the first month of this year. The top slots over this very short period are taken almost exclusively by recovery funds, smaller company funds, and high income funds based on UK equities.

Keith Percy, of stockbrokers Phillips and Drew, sets out the favourable factors for set UK share prices in the first half of 1982.

First, his view is that company profits will definitely recover in 1982, with inflation rates being at least held steady. Dividends should benefit with some partial restoration of last year's cuts in many cases.

Share prices should also benefit from the decline in UK interest rates which he expects in the first half of this year, though at present equities look dear against gilts. He confidently expects the FT-Actuaries Allshare index to go through its all-time high level of 388.64 reached last August before mid-year.

This general view is expressed by unit trust invest-



ment managers, though their views on the extent of the bull market tend to vary. Mark St. Giles of Allied Hambro feels that the larger blue chip stocks will have a good year, but the best performance will come from the recovery and smaller companies funds.

Dick Eats of Chieftain is looking for capital growth from the "busted" blue chips returning to favour. He feels that the recovery in the larger companies will then later run through to the smaller companies.

In addition managers hope that income distributions will resume their upward trend after two stagnant years—good news for those investors who bought high income funds for their income growth potential.

However, investors should not concentrate solely on the favourable prospects of the UK market. There is a feeling that there is still plenty of steam left in various overseas markets.

This was illustrated this week when Allied Hambro launched its American Special Situations Fund, the first launch by the group since it was taken over by Hambro Life last year.

Eric Short

Planning for life

THE MAJOR advertising campaign of the British Insurance Brokers Association to promote the virtues of registered insurance brokers enters a crucial phase on Monday with the launch of "Life and Pensions Week."

So far the campaign has dealt with personal insurance aspects of brokers and how they can help the public with their house and motor insurance needs. Now it is also moving into the broader field of general financial planning. Life assurance is one of the major medium- and long-term savings institutions in the UK.

The life broker these days does much more than simply arrange protection for his client. The main emphasis now on savings, with unit-linked life assurance capturing a greater slice of the savings market each year from the conventional with-profit endowment. The life broker is being called upon to give high powered investment advice more than to discuss life cover. And here lies the flaw in the registration procedure for life brokers.

Under the guidelines laid down by the 1977 Insurance Brokers (Registration) Act, the broker must show the necessary level of expertise. The tests concentrate on the broking aspects, but ask for very little proof of investment expertise.

The major insurance broking firms have appointed in-house investment experts to provide the guidance needed for brokers

dealing with the public. This is an acknowledgement that brokers in their normal training lack the necessary investment experience.

Comparatively few life intermediaries have registered their businesses, although most have registered as individuals. The public in some towns may find it a registered broker. The usual operators in the high street have changed their title to "insurance consultants" or "insurance adviser." BIBA is drawing up a list of members dealing in life business—and that list needs to be published as soon as possible.

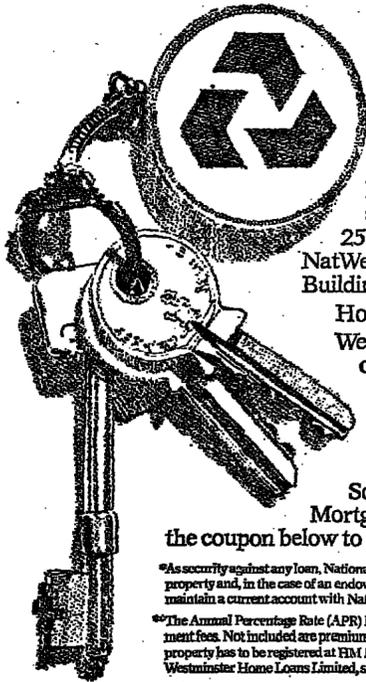
Finally, the leaflet issued next week—"What Can Life Assurance Do for You"—has a significant omission. No mention is made of the commission received by brokers for selling life assurance. Many life companies have left or have never even joined the Life Offices Association because they pay higher rates of commission than the LOA scale. These companies claim that many registered brokers deal with them.

The leaflet does explain that under the registration procedure it is the duty of a broker to put his client's interests first. But it does not tell the public that the broker must disclose the commission received on a contract if asked, neither does it explain the very useful complaints procedure.

E.S.

The NatWest Mortgage Service

For people who want to get moving, wherever they bank



If you are moving house—or setting up home for the first time—and you are aged 18 or over, The NatWest Mortgage Service is for you.

Mortgages* start at £10,000 and go up to £100,000.

Repayment periods of 10 to 25 years can be arranged.

Interest is payable at NatWest Mortgage Rate, currently 15% per annum**. As an example, if you borrow £25,000 repayable over 25 years, a representative APR** will be 16.3%. Tax relief on NatWest mortgage interest is applicable on exactly the same basis as Building Society mortgages.

However, The NatWest Mortgage Service doesn't stop there. We can give you advice on all the financial aspects of moving house or setting up home. This includes property, contents and mortgage protection insurance and endowment assurance.

Endowment mortgages attract the same rate of interest as repayment mortgages and we can obtain advice on, and arrange, an appropriate policy to suit your own circumstances.

So if you are aged 18 or over, and want full details of The NatWest Mortgage Service, talk to any NatWest Branch Manager or complete the coupon below to obtain a booklet.

*As security against any loan, National Westminster Home Loans Limited, who would provide the advance, require a first legal mortgage over the property and, in the case of an endowment mortgage, an assignment of a life assurance policy approved by the Company. You will be asked to maintain a current account with NatWest.
**The Annual Percentage Rate (APR) has been calculated to include estimated costs involved in making the security available, valuation and arrangement fees. Not included are premiums for buildings insurance or any life assurance policy, nor any fees which may be due if the legal charge on the property has to be registered at HM Land Registry. NatWest Mortgage Rate—correct as at 11 February, 1982—is, at the discretion of National Westminster Home Loans Limited, subject to change from time to time and therefore the APR will vary in line with any such change.

The NatWest Mortgage Service

For people who want to get moving

National Westminster Bank PLC

41, Lothbury, London EC2P 2BP

Please send me a booklet giving details of The NatWest Mortgage Service. I am aged 18 or over.

Name _____

Address _____

Postcode _____

Send to National Westminster Bank PLC, FREEPOST, 41, Lothbury, London EC2P 2BP. (No postage stamp required)

NWMS FT/82

PROPERTY

New ways to boost sales

BY JUNE FIELD

WHILE IT could be, and indeed has been said, that builders' incentives can distort values on the property market, there is a certain amount of style in part-exchanging a semi-detached in the chilly reaches of Bishop's Stortford, Hertfordshire, for a house in the sun-drenched Simi Valley, California. (Recently Mr Ralph Stow, managing director of Cheltenham and Gloucester Building Society warned that the value of any mortgage interest discounts should be taken into account when valuing a property for resale).

What is claimed as the first transatlantic house exchange between Luton and Los Angeles is the achievement of Mr Keith Blanch, now an engineering manager for an aerospace firm in the San Fernando Valley. After nearly a year in rented accommodation in California, Mr Blanch and his wife Sheila finally sold their home in Britain to Barratt Luton for around £33,735 (£865,426), putting the money towards a \$112,000 (£36,230), house at Barratt's U.S. development, Orangewood, just north-west of Beverly Hills, about 25 miles from downtown Los Angeles. The balance of the money was raised through a Bank of America loan. The Blanchs are due to move into their American dream on Monday, their old home "sold on" by Barratt's within a month.

What does £50,000 or so buy in the sunshine State? A house on its own plot with three bedrooms, two bathrooms, fully equipped kitchen, central air conditioning, carpets throughout, an enclosed atrium (courtyard), and patio, says the company, whose current promotion invites one, in effect, to swap your bit of British suburbia for something in San Francisco, another desirable Californian location where Barratt now operate.

"This is the land of opportunity," declares Mr Dale Stuard, president of Barratt American Incorporated. "And we are going to prove it." The company's other operating divisions in California are in Sacramento, San Jose, Los Angeles, Irvine and San Diego. In Britain, sale inducements

in the private sector are on the increase. This week, two insurance-based sales aids aimed at both buyer and seller were launched by Lloyd's broker Watts Watts. One scheme, the Home Guarantee Plan, offers a year's cover for £60 on all appliances and equipment, whatever their age, provided that when you buy they are in good working order. So if, for instance, after you have taken possession, the oven packs up in mid-roast, the refrigerator motor fails, the gas fire goes cold on you, the central heating radiators leak, you can get them repaired or even replaced. The maximum cash under each of the three categories is £1,000 and the first £25 of each claim is excluded.

Even more pertinent is the Last Minute Hitch Insurance. Designed to cover the cost of surveyors, solicitors and building society fees that still have to be paid even if the vendor withdraws from the sale before contracts are exchanged. The premium of £36 also covers the possibility of the seller not being able to complete on the agreed date. For example, you could be left with nowhere to stay if the buyers of your own house have already moved in so there is a daily accommodation allowance for this contingency, together with title cover if anything comes to light within two years after completion that might affect the use of your home.

Both policies reflect the advance being made in homes marketing in the 1980s. It is no longer good enough just to provide details of a home and put people in touch with each other. Estate agents are having to find new ways of reassuring people about what is probably the biggest money transaction of their lives," says Mr Michael Hands, director of Watts, who originally devised the schemes for Andrews and Partners, estate agents with some 40 branches across the south of England, stretching from Bristol and Bath to Southampton and Chelmsford, Worthing and Hastings.

Andrews introduced its own brand version of the schemes on test last month, and according to the company's marketing director, Mr Ray Spencer, they



Weekend opening is an aid to sales say Pearsons, whose office at 27 London Street, Basingstoke, Hants. (0256 28775) is open on a Saturday 9-4.30, and on a Sunday 10-4.30. This four bedroom, two bathroom house in 1/3 acre overlooking the old village green at Sherfield on Loddon, Hampshire, is £27,500.

have produced considerable interest and are helping house sales. "Now we will begin marketing these schemes in earnest to attract a bigger share of instructions and applicants, at a time when people are thinking of moving to take advantage of available mortgage money which might become tight again later in the year."

Watts Watts are also marketing the policies through a full-scale direct mail operation to other estate agents throughout the country. Their first mailing this week has already produced "tremendous interest", Mr Hands told me. Commission is, of course, paid to the estate agent.

In Yorkshire, Mr Peter McManus of Property World, who describes himself as "a consortium of 270 estate agents from the Tyne to the Thames using the master organisation as a common banner," also operate an equipment protection scheme, on a slightly different basis, but the premium is higher, £95.

West Yorkshire agents Eddisons have just launched three incentives designed to move houses that have been hanging fire, similar to the benefits many developers are offering. Says managing associate Mr David Breat: "To build up confidence, some houses are being offered

with insurance to meet mortgage repayments if the purchaser should be made redundant during two years thereafter up to £2,000. The cost to the vendor is £28.

"To help purchasers with cash flow problems, some vendors have agreed to pay legal expenses up to a maximum of £500 on a £49,500 property, £200 on one at £17,500. Also available are houses where a lump sum payment will be made on completion, being the difference between mortgage repayments for one year at 13 per cent and 15 per cent.

In effect this means a discount of £865 on a £20,000 mortgage over 25 years, £182.40 on a £10,000 loan over a similar period. Again, the amounts are borne by the seller.

Properties on which these incentives are offered range from a two-bedroom terraced house in Guiseley at £17,500, to a detached four-bedroom home at Baildon at £49,500 including the carpets. While these special marketing schemes do not at present apply to the firm's seven other offices in the area, Eddisons Huddersfield has an 18th century house at Honley with a barn with planning permission for conversion into two dwellings, where part-exchange will be considered as part of

the sales package at offers over £45,000. Part-exchange will also be considered on a four-bedroom former showhouse at £49,950.

Details of home exchange from Barbara Murray, part-exchange controller, Barratt, 668 Hitchin Road, Luton, Bedfordshire. Insurance schemes for buyers and sellers: Mr R. Spencer, marketing director, Andrews and Partners, 22 Theobalds Road, London, WC1I, estate agents inquiries to Mr M. Hands, Watts Watts Insurance, St Olaf House, London Bridge, London SE1. Equipment protection scheme: Mr P. McManus, Property World, 30 North Parade, Bradford, Yorkshire.

Marketing incentives: Mr D. Breat, Eddisons, 82 Otley Road, Guiseley, West Yorkshire, who will also send a free copy of their property guide, covering homes in Leeds, Bradford, Huddersfield, Halifax and Horthforth.

Particulars part-exchange properties in Huddersfield district: Mr Douglas Hoyle, residential partner, Eddisons, 4-6 High Street, Huddersfield HD1 2LS. U.S. property information: Mr D. Stuard, president, Barratt American Inc., 17732 Serrano Suite 180, Irvine, California 92715.

Way out West into the Bush

ALAN FORREST

WHEN I walked into the public library at Shepherd's Bush and discovered they do not take the Financial Times in the reading room, I realised what moving down market means. But such disasters apart, I can recommend it highly to anybody who wants to cling to inner-city living without having to exist on hush.

It was just about six months ago when, flushed with success at selling a desirable Chelsea flat at handsome profit, we searched for a new home. We had fantasies about an unexpected snip around the Chelsea Embankment or a battered bargain in Little Venice, but it soon became obvious that £25,000 plus a substantial mortgage was not going to buy us even a crumbing bed-sitter at the tatter end of the Royal Borough.

But my wife and I are indomitable inner-city people. We had to solve it somehow. "Why don't you try Shepherd's Bush?" somebody said. "Isn't that the suburbs?" my wife asked. Finally, friends who had made the move assured us they were doing alright at the Bush—a few miles from Charing Cross with only the colourful language of Queen's Park Rangers' supporters to disturb their gracious living on alternate Saturdays.

We decided. For £36,000 (only £18,000 on mortgage leaving us a nice nest-egg for improvements) we bought a little Victorian terrace house (two up and two down, as they say in the north) with kitchen, bathroom and a splendid paved back garden with built-in honeysuckle bushes. The first week we moved in, my wife rang me at the office and said she was watching Coronation Street. "Jesus! I said, 'we live there, don't we?'"

Actually, it's a very nice little house, and we're getting used to the district. It is virtually classless. One of my next-door-neighbours is an up-and-coming young success. The other, a lovely black lady who works at the local hospital. And there was the day I went into my local pub to be told: "The colonel's dead." "What?" said I, "and the regiment blind with dust and smoke?" This didn't go down very well because my informant was talking about a real colonel who lived just round the corner.

Day by day the advantages disclosed themselves. At present I'm travelling to the office for 80p return on the Central Line (20 minutes on a baddish day). I've got no British Rail problems. We're within a short car drive of Kew Gardens and Richmond Park. We're 15 minutes from Harrods, and within walking distance of splendid Ravenscourt Park with its health-food tea pavilion. The shopping is splendid. Perhaps it isn't West End standard, but at least we can shop for essential foods until 11 pm, thanks to the locally based Asians who have revived the English corner shop.

Naturally there was a lot of building work to be done. We had the downstairs rooms knocked into one big open-plan space for a very reasonable £706 and have a friendly builder to do the rest of it. We paid for the initial work out of income, and have since borrowed £2,000 from the bank, and have been surprised how far it goes.

And for urgent repair work, Shepherd's Bush is a little paradise, all thanks to the Irish, who are everywhere. If you need a plumber in a hurry, try a few pubs, and by the third call you've usually found one who has half an hour to spare. I am not just trying to plug Shepherd's Bush. I am simply telling home-hunters with a liking for town life and a limited bankroll not to ignore these old inner-city areas. Shepherd's Bush isn't Islington or Camden Town, yet, and it may never become as socially OK as those two areas. But it gives a resident a real sense of being in a community, and is better than a little box in the green belt at the end of a strikebound railway line.

Let me give you an example of a recent weekend I spent at home. On Saturday afternoon I went to the Hammersmith Riverside Studios to a showing of Humphrey Jennings films. In the evening we went to the Hammersmith Lyric pantomime. On Sunday I watched Fulham play rugby. My total expenditure, including a kebab-type meal in Hammersmith, was less than £20. In Chelsea, I seldom get further than the pub/restaurant at the end of the road—and it costs me more.

And we feel the best is yet to come. The other evening I was having a drink with a local estate agent. I told him about the house and said timidly: "Mind you, we may never make too much money on it. People tell us there are too many blacks in the area." "Don't you fret," he said. "You've got a desirable property in inner-London, and nothing's going to stop it going up. Would you like to sell it to me, now?"

CHess/BRIDGE

Russia's rivals

BY LEONARD BARDEN

JOHN NUNN'S fine victory at Wijk last month makes him the man in form and the favourite for the West European zonal now in progress at Marbella, Spain. It also adds to the evidence showing that Britain's young players are poised to become major chess rivals to the Soviet Union.

An Anglo-Soviet battle for supremacy is already a regular feature of FIDE world championships, both individual and team, at junior and youth level. Stuart Cooper holds the world under-16 title while Nigel Short's 1981 world junior bronze medal followed his silver behind Kasparov of the USSR the previous year. In three official world under-26 team championships England have won once, beating the Russians, and have twice finished second to the Soviet winners.

The generally recognised peak age for chess masters is between 27 and 32. Thus a player like Nunn, now 26, can expect to improve further. In current FIDE rankings only 11 players aged under 27 are rated at or above the traditional grandmaster level of 2,500. One, Frtznik, is Czech; two, Seirawan and Christiansen, are American. Significantly, the other eight comprise four Russians (Kasparov, Bolmatov, Yusupov and Paikidis) and four English (Nunn, Miles, Speelman and Meslie).

On the other hand, Hungary and Yugoslavia, two countries which in post-war decades have been closest to the Russians, scarcely possess a young player between them who promises to reach the heights. At the 8-board European championships in 1980—a truer test than the four boards of the chess olympics—England already broke the Hungary/Yugoslavia monopoly of the silver and bronze medals and we would do better still now.

This spring will provide two stern tests of how far we are currently behind the USSR as a major chess power. England will meet the Russians in the semi-final of the World Telex Cup, provisionally on March 27 or April 3. The Soviet team plays in Moscow, the English in London; and spectators should be able to watch an absorbing struggle. Then the great Phillips and Drew Kings tournament, staged

in conjunction with the ICF opens at County Hall, London on April 15, continuing until April 30. It will be contested on 14 on the FIDE scale, with an average rating of 2,685, and thus the strongest event held in Britain.

Announced participants include Karpov, Spassky and Geller (USSR); Miles, Nunn, Short, Speelman and Meslie (England); Christiansen and Seirawan (U.S.); Andrievich (Sweden); Ljubovjevic (Yugoslavia); Portisch (Hungary); and Timman (Holland).

There will be a British round prize fund of £12,500. Available spectator tickets are available from the tournament director, Stewart Reuben, 11 Haverham Close, Twickenham, Middlesex, and cost £3 for each day, with a 25 per cent reduction for seven or more tickets.

At the 1980 Phillips and Drew, Tony Miles shared first prize with Kozlovich and Andersen. Though Miles has lost his position as British number one to Short in recent months, he is still a competitor and may yet make his long-awaited breakthrough to the top dozen in the world. This week's game was played at Forz where Miles was runner-up to Tal.

White: A. J. Miles (England). Black: Dr H. Reestachlager (West Germany). Opening: French Defence (P21 197-52).

1 P-K4, P-K3, 2 P-Q4, P-K3, 3 N-Q3, B-N5, 4 N-K2, P-P5, 5 P-Q3, B-N3, 6 N-K2, 7 N-K2, 8 N-K2, 9 Q-Q3, 10 B-N3, 11 Q-O2, 12 P-B4, 13 P-B3, 14 P-K3, 15 P-B4, 16 B-N3, 17 Q-K1, 18 P-B3, 19 B-N3, 20 B-N3, 21 R-K1, 22 R-K1, 23 R-K1, 24 R-K1, 25 N-N6 mate.

Black leaves the book and his game quickly deteriorates. Better is to return the pawn for counterplay by 13...P-N4; 14 P-K2, N-R4.

14 P-P, N-Q1? (too passive—he has to try P-K4); 15 R-K-N1, P-B3; 16 B-N3, R-B2; 17 Q-R1, P-N4; 18 B-B4; Resigns. 19 R-K1, R-K1; 20 B-N3, B-N3; 21 B-N3, B-N3; 22 R-K1, R-K1; 23 R-K1, R-K1; 24 R-K1, R-K1; 25 N-N6 mate.

CHess PROBLEMS

POSITION No. 416

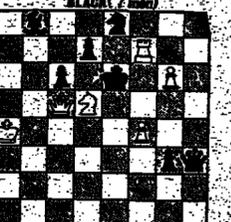


WHITE (11 men)

This diagram occurred in a West German tournament with White to move. He is already rook for knight down while his knight looks irrevocably lost. But when White analysed the

PROBLEM No. 419

BLACK (7 men)



White mates in two moves, against any defence (by J. Kupper, Neus-Zuriche Zeitung 1975).

Solutions Page 12

Useless finesse

BY E. P. C. COTTER

TWO HANDS from recent sessions of rubber bridge show the declarer making plays which could not possibly gain. Let us first study *The Useless Finesse*:

N
A 852
76
A Q 95
754
W
43
K J 52
K 2
K J 108
S
Q J 1075
A Q
J 102
A 83
E
K 8
K 10 95 43
8
K 92
W
K 10 8 6 4 2
K 5
8 6 3 2
A 10 6 4 3
7 6 2
A 7

With both sides vulnerable, South dealt and opened the bidding with one spade, and went to four spades after a double raise from his partner—a sequence which almost any pair would employ, whether expert or novice.

West led the club Queen, which was allowed to win—that was certainly correct—and the Knave which followed was taken by the Ace. The declarer now led the trump Queen and ran it losing to the King. After cashing the club King, East returned a low heart, and the declarer finessed the Queen. West had the King, and that was one down.

The finesse of the heart Queen was absurd—it could not gain. Let us replay the hand together and reason things out. Before we touch a card from dummy, we assess our chances. If the trump finesse works, there is no problem; if it loses, it is clear that the contract depends upon a successful finesse in diamonds. If West holds the diamond King, we shall make four tricks in the suit, which will allow us to dispose of one loser. That should wake us up to the fact that there can be no point in trying the heart finesse, because we can throw the Queen on the fourth diamond.

right and the diamond finesse is wrong, because now the declarer loses just one down instead of two down. I can only say, Next case!

Now for an error which is always rearing its ugly head:

N
A 852
76
A Q 95
754
W
43
K J 52
K 2
K J 108
S
Q J 1075
A Q
J 102
A 83
E
K 8
K 10 95 43
8
K 92
W
K 10 8 6 4 2
K 5
8 6 3 2
A 10 6 4 3
7 6 2
A 7

North dealt at a low level and bid one heart. West's four-card major suits are held, the heart is often preferred because it allows the partner to bid one spade with a hand of modest pretensions. This, however, North had not considered his rebid—what was going to say if his partner replied with two diamonds? But all was well, because East said two diamonds, and South said two spades, and North went four.

West led the diamond King, East overtook, cashed the Queen and continued with the Knave. Although this was a finesse, West ruffed with his eight of spades, which was an excellent move. It could not cost and it might possibly do some good. The declarer overtook with the Queen, West covered. As now some of a trump suit, the declarer had to lose a trick in clubs, as West drew.

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Handwritten signature or note at the bottom of the page.

LEISURE

Romantic weekend retreats

FOR THOSE of us who have not received a Valentine's Day card, and at the time of writing I have no idea whether or not I am in that number, there can be only one, certain, of comfort. Things could be worse. You might have received two. If you did, then clearly you are one of life's romantics. Living in a world where the stepping stones of joy form a precarious path over the waters of disaster.

TRAVEL

ARTHUR SANDLES

ing I called round and you were in curlers with cream on your spots?

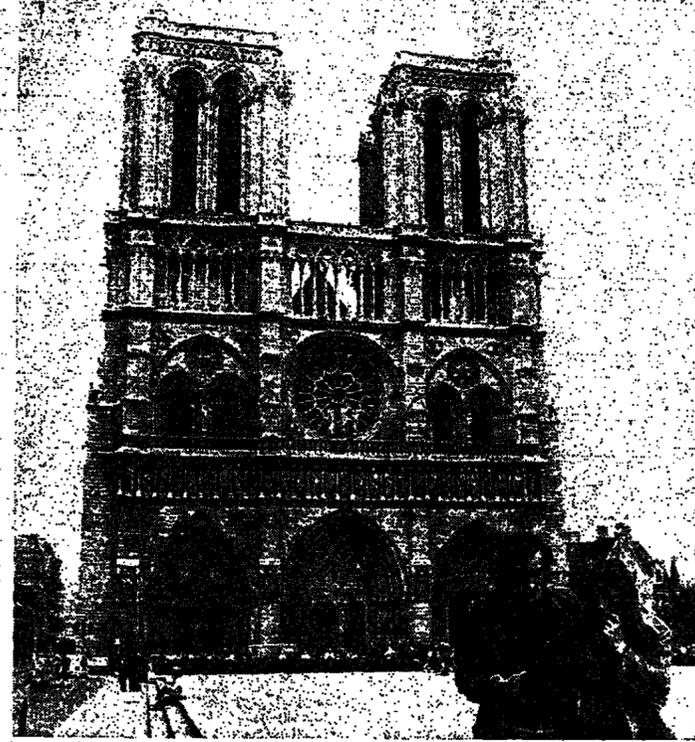
Rarely is it that candlelit dinner when the soufflé was ignored for 10 minutes of eye language.

Romance is, I suspect, something that is stumbled upon rather than constructed. Love flourishes over a dish of chicken Strani or in a Blackpool B and B just as eagerly as it does over caviare and in honeymoon suites.

But settings can help. I recall a visit to Venice when, stepping from a much delayed aircraft we stumbled into a misty night surrounded by dozens of other tired passengers. But while they struggled aboard buses or fought for taxis, we were gently steered to a waiting speedboat. We zipped over the waters through the fog. There was no chance to see the famed Venetian vistas. Here and there a light would break the darkness of the gloom and now and then a navigation pole would dash past.

After a while we chugged to a stop and cautiously climbed the steps into the haven of the Grand Canal, one of the great romantic haunts of Europe. It is an oasis set in an oasis. These speedboats stand by to run visitors from the island of Giudecca on which it stands to St Mark's Square. With its flowers, its huge pool (the only such in Venice) and its baroque atmosphere it is an aluring bolt hole from the city's summer heat and jostling crowds.

The presence of the boat at the Cipriani helped to confirm me in the view that for city romantic retreats the best thing you need is a car. Few relations, ships, even new and blossoming ones, can survive the mutual agonies of driving and navigating in a major city.



Outside Notre Dame, Paris

It is for that reason I would plump in Paris, for example, for being as near central as possible. It may be corny, but that irritatingly endearing city is still a great place for a bit of hand holding and people gazing.

The Hotel Lancaster, the Savoy group's tiny Parisian secret, is tucked away in the Rue de Berri just off the top end of the Champs Elysees. Given this setting it is remarkably quiet but not, you might have guessed, particularly cheap. There is a small garden and the whole place seems to have a relaxed country atmosphere even if you are only a hop and a skip from the bustle of the Champs. The Lancaster is part of what sadly may be the disappearing breed of small luxurious city retreats. A romantic hotel must surely be small enough for the staff to know their guests—if it is anonymity you want then seek the isolation of an airport motel.

It is for that reason that I would plump for the Algonquin in New York, a quirky little place with its own creaky literary traditions and reluctant lift. Not for the Algonquin the leafy solitude of a garden or any of that dew-eyed nonsense. But it is a slice of old New York, lovingly run and engagingly staffed. Be warned: you, and your partner, need to be a touch idiosyncratic to get the most out of the place.

Astonishingly enough American hoteliers, so efficient at so many things, have not quite caught on to the lure of romance. Love to an American hotelier seems to demand heart-shaped baths, oversized beds, candlelight, deep red tablecloths and pewter plates. You can, however, escape.

I first saw the Bee and Thistle Inn at Old Lyme, Connecticut, in the autumn. Eighty-hued New England leaves covered the lawns surrounding the clapboard building which was first used by a local judge in 1756. The log fires, crisp cotton flowered furnishings, dulcimer accompanied meals and mountainous breakfasts of home-cooked pastries helped it to carve a niche in my memory. Since that first visit I have returned more than once, and never been disappointed.

There are no ducinas at the Alexander Withrow House in Lexington, Virginia, but here again is a city centre place where you can dump the car and see things on foot. If you share my affection for small hotels, then this one is really small. It has only seven rooms, no bar, no restaurant and only a cosy little office as a reception area. But once you have your key you have a passport into a late 18th-century property with its own small courtyard and a large entrance hall giving access to those surprisingly comfortable rooms.

By no stretch of the imagination is the Alexander Withrow House luxurious, but it is a delightful retreat — and the coffee shop around the corner serves the most remarkable pastries.

It remains my belief, however, that the richest source of romantic getaways is Britain. In Europe they are relatively easy to find; in America they can be tracked down, but in Britain they abound.

There are two immediate sources of information for the determined romantic. The list of Commended Hotels and Restaurants produced by the British Tourist Authority (£1.75) which lists dozens of country properties that have been chosen as being something out of the ordinary, and the Good Hotel Guide, which will be published by the Consumers' Association on Monday, Price £7.50p. Both give clues to the oak beams, the four poster beds, the cobble streets and the miles of countryside that make up the British romantic retreat. I still like the dark claustrophobia of the Mermaid at Rye, whose thick walls were built to keep out the Channel gales; for more bucolic pleasures try the Island Hotel on Treco in the Scillies—its quite an adventure getting there, particularly in winter, but that only adds to the fun; or the Eastwell Manor in Kent where the baths are as near heart-shaped as you'll find in Britain but the setting is baronial sumptuous and discreet.

There are, of course, far more. Unfortunately I do not have time to list them—I have, after all, to write my Valentine Cards. More Information: The Hotel Lancaster, c/o Savoy Hotel, The Strand, London WC1. Hotel Representatives Inc., 15 New Bridge Street, London EC4. In the U.S. you might still find copies of America's Wonderful Little Hotels and Inns, edited by Barbara Crossette, published by Thomas Condon Books, 600 Duxton, 2 Park Avenue, New York New York 10016 U.S.A.

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There is a truly international success story behind this photinia. Red Robin is a New Zealand selection from a hybrid that was produced in America between two Asiatic wild plants both of which were introduced to gardens by British plant collectors. One of these species, *Photinia glabra*, was found by E. H. Wilson in Japan in 1914. The other species, *P. serrulata*, was introduced by Captain Kirkpatrick from China as long ago as 1804. A hybrid between the two species occurred, apparently accidentally, among seedlings of *P. serrulata* in Birmingham Nurseries, Alabama and was named *Photinia fraseri* Birmingham. It was another form of this same hybrid that was selected in New Zealand and named Red Robin and it is currently the best-selling of all photinias in Britain.

For the first few years all the small nursery plants raised in New Zealand for the British market were flown to Heathrow, a journey which takes about 36 hours. From there the plants were rapidly distributed to the nurseries in which they would be grown on. This remains the principal means of transport but recently there have been experimental shipments to Guernsey in special temperature-controlled containers and this may further extend the range, and possibly also the size of the plants that can be imported as well as lowering their cost.

Photinia Red Robin is rapidly increasing in popularity here as a hardy evergreen shrub or small tree with handsome bronze-red young leaves in spring and early summer. Though the colour is not as bright as that of the best forms of *Pieris forrestii* it is very striking and photinias unlike pieris will thrive in alkaline as well as acid soils. They also submit well to quite hard pruning in June which will keep them compact and at the same time encourage sturdy new growth and an abundance of coloured leaves the following year.

Pepped up Italian saloon

MOTURING

STUART MARSHALL



Fiat's latest Strada, the 105 Twin Cam. A sporting alternative to the Golf GTI and Escort XR3 for over £1,000 less money

THE OLD style sports car is almost dead but the sports saloon is very much alive. So much so that the market for pepped-up versions of family cars trebled in Europe between 1976 and 1980. Even rival manufacturers privately concede that the one to beat at present is the Volkswagen Golf GTI, as sweet and swift a small/medium hatchback as any family man with sporting inclinations could wish for. Perhaps its closest competitor is the Ford Escort XR3. At £6,246 it is a little cheaper than the VW Golf GTI (£6,475) and although it has a carburettor instead of fuel injection and a four-speed gearbox, not a five-speeder, its performance is almost identical. Both cars will exceed 110 mph, get from 0-60 mph in nine seconds or a fraction over and return about 27 mpg, driven for entertainment, not economy.

This week another sporting family hatch came on the scene. Fiat deny that their Strada Twin Cam 105 is intended to be a Golf eater. That, they say, is the role of the Ritmo (Strada in the UK) Abarth, a two-litre, 125 bhp muscle car with a 118 mph maximum and 0-60 mph time of about 8.5 seconds. At present, it is not available in Britain.

But the Strada Twin Cam 105 is pitched at the potential Golf GTI and Escort XR3 buyer and argues its case on price as well as performance. At £5,195 it looks spectacularly cheap. It is not quite so fast, with a claimed 109 mph maximum and a 0-60

mph time of 10 seconds. Still, it is quick enough to see-off any other 4/5-seat car of its engine capacity or price and it looks as though it means business, too. The Twin Cam 105 comes only as a three-door. It differs from the normal Strada in having a deep aerodynamic spoiler at the front and a little one at the back. The body extends over the 60 series Pirelli P6 tyre on their light alloy wheels, the body trim is in matt black and the windows are tinted.

It has a stylish interior. The supportive front seats slide forward and tip to make the rear seat easy to reach. Oil pressure gauge, coolant thermometer and voltmeter are centrally located, with speedometer and rev counter in front of the driver with

all the warning lights. Switches, including the ignition lock, are lit through fibre optics. The steering wheel adjusts for height, there is a digital clock and inertia-reeled seat belts for all occupants. To cope with the engine's 105 bhp (compared with 85 to 85 bhp in the other Stradas) the transmission and brakes have been beefed-up and the suspension stiffened—but not enough to spoil ride comfort. When I tried the Strada 105 a few weeks ago I thought it rode as well as a Golf GTI and better than a Ford XR3. On a circuit, it might not be quite as fast as they are round bends but on the road it felt agile and well balanced, with quick steering response and as much cornering grip as one might responsibly

exploit. The Strada is ideally geared for performance. The engine is spinning at its 6,100 peak revolutions at the car's 108 mph maximum. At 100 mph (5,900 rpm) noise was not troublesome and the engine still felt smooth. The car's least appealing feature is the gearshift, which manages to be simultaneously rubbery and stiff, with an ill-defined gate. This is a family drawback. A Super Strada 85 I have just driven for 500 miles was even worse in this respect and had a disagreeable heavy clutch as well. VW, Renault and several Japanese makers can combine front-wheel drive with five-speed gearboxes that are a pleasure to use. It shouldn't be beyond Fiat's capabilities, either.

A diesel complaint

WHATEVER HAPPENED to the energy crisis and the need for fuel conservation? Only a few months ago we were being told to save petrol to stop the oil wells from running dry within the lifetime of today's motorists. Now we have oil company executives wringing their hands in despair because we won't buy more of the stuff even though they are spending millions of pounds subsidising cut prices at key sites.

One effect of the present glut and depressed prices in the spot market is that the economics of running a diesel car—as I still am—have changed for the worse.

Just before Christmas I was chortling because Derv was widely available for 10p a gallon less than four-star petrol — as it surely should be, for it carries 10p less excise duty. But this week I made a distress purchase of Derv at a local BP site at the rip-off price of £1.67 a gallon; their four star was £1.58. Later that day I filled up with Derv at the Elf station in the middle of Heathrow for £1.54, proving yet again that it really does pay to shop around.

But why should garages get away with charging more for a cheaper product? Would any oil company care to explain?

Advertisement for Derv fuel. Includes a cartoon of a car with a speech bubble saying 'DAMNED EXPENSIVE ROTTEN VALUE'. Text: 'DERV £1.67 4 STAR £1.58'. 'No Surcharge Guarantee for bookings before Mar. 1 FREE colour brochure from ABTA travel agents Dept. FT, Russell Chambers, Covent Garden, London WC2E 8AW. Telephone 01-240 5986 (24-hour brochure service) ABTA ATOL 4888'

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TRAVEL

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New plants from New Zealand

MANY VISITORS to garden centres and flower shows must have noticed the quite sudden increase in the number of New Zealand flaxes; or phormiums, on display. It is not simply that the total number of plants offered has increased in a quite spectacular manner but that there has been a corresponding increase in the number of varieties available, providing a much greater range of leaf colours and sizes than before.

Not so many years ago there were only three phormiums at all freely available, a species named *Phormium tenax* with long, stiffly upstanding green leaves and two varieties of it, one named *Purpurea*, or *Atripurpurea* in some lists, which is bronze rather than purple as its name suggests. The other was named *variegatum*, with leaves handsomely striped with cream. A few specialists could also supply *P. colensoi*, sometimes listed as *P. cookianum*, a plant slightly broader, shorter, more flexible leaves, averaging 5 feet in length against the 7 to 9 feet of *P. tenax*.

Some of the new varieties are forms of *Phormium tenax* and some of *P. colensoi* and they have arrived so fast that it has been difficult to keep pace with them and assess just how valuable they are. Certainly they extend selection in a quite remarkable way for some of the newcomers do have leaves that can truthfully be described as purple, or even red, and some make quite small plants even when full grown.

One, named Dazzler, is at certain seasons almost wholly beetroot red. Sundowner combines dusky olive green with carmine and cream and Bronze Baby is coppery bronze and quite small, the leaves no more than 2 feet long. Then came Thumbelina, the smallest of the lot, a mere foot high and a good bronze-purple colour. These and some others are varieties of *Phormium tenax* but there have also been some good new varieties of *P. colensoi*. One of the nicest is named

Cream Delight and has leaves that have a broad band of pale yellow right up the centre with a narrow margin of green on each side. This attractive plant grows about 3 feet high and makes a handsome clump rather like a greenhouse dracaena, the inner leaves standing erect and the surrounding ones curving outwards. Dark Delight is not really a twin to it, as its name might suggest, for it is much more erect in habit but it is a fine deep purple colour which will contrast well with Cream Delight. A third new variety named Tricolor is green with

GARDENING

ARTHUR HELLIER

narrow stripes of red and white, the whole plant about 3 feet high.

What has not yet been fully established is how these new varieties compare with the old ones for hardiness. No phormium will survive the lowest temperatures which are occasionally registered in Britain and I am sure that in some places there must have been many casualties this winter but so far my own plants of *Purpureum* and *variegatum* have pulled through with only superficial damage which will soon disappear as new leaves sprout up in spring. I suspect that some of the newcomers are less hardy, and, except in sea-side areas and in sheltered gardens elsewhere may have to be regarded primarily as container plants to be stood outdoors from May to November but moved into some kind of shelter for the worst of the winter. All should make fine plants for patios and terraces and, like the old kinds, they are very welcome as exotic looking foliage plants. There is certainly plenty of exciting new material here with which to experiment. This phormium story is all part of a much larger develop-

ment concerning the penetration of the British market by plants from New Zealand. It began quite tentatively some years ago and as recently as 1975-76 the total annual trade amounted to no more than £18,664. By 1980-81 this had multiplied about 14 times to £269,649 and still appears to be going up. It is one of the success stories of these rather dismal times.

Of course this is not a direct trade with the retail buyer. Cost of transport for plants of sufficient size for that purpose would be impossibly high. What the New Zealand growers have exploited is the demand by nurserymen for rooted cuttings or small offsets, which are known as liners, ready for growing on for a year or so to saleable size. The New Zealand climate, especially in the north island, is particularly suitable for the mass production of such plants and an added advantage is that, since the growing season there is from September to March, deliveries can be made in Britain from April to June in time for the plants to continue growing for a further three or four months before finally going to rest. This probably would not suit all species but it certainly opens up to suit the fairly limited range on which the New Zealand growers have concentrated so far.

Naturally enough this includes some more of their own native plants in addition to the phormiums. Hebes, which many gardeners still think of as shrubby veronicas, are among them and so are various pittosporums, leptospermums and corrythines. But growers have also been quick to exploit plants from other parts of the world which they are able to grow exceptionally well. Thanks largely to its skilful amateur gardeners New Zealand has an enviable reputation for producing fine new camellias and it is no surprise to find these, as well as some of the older varieties, prominent among exports to Britain. Photinia Red Robin is

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BOOKS

When Greek exploited Greek

BY ROBIN LANE FOX

The class struggle in the Ancient Greek World

This remarkable book has a passion, a personal style and a breadth of interest...

Its origins go back to the late 1940s. Then, a solicitor in his late thirties threw up the profession which bored him...

each example in an ancient text and an acute awareness of social and administrative history.

Trade, he argued, was of minor importance in a landed world whose upper classes simply lived off the humble. De Sainte Croix, his pupil, added the fire and explicitness which Jones's books had somehow lacked.

Personally, I do not believe its main contentions. I do not find the notion of a constant class-struggle very fruitful. On one side, among the poor there was no common class-consciousness...

probably overshadowed any class-splittings among the free to a degree we find hard to imagine.

I do not find the central concepts of Marxism very clearly in my text of Aristotle. Even if I did, I would not therefore believe them. Aristotle's political theories of rich against poor may apply in places, perhaps especially in Sicily which Plato used as an example.

The Roman Empire is a more promising field. By the 160s Roman law was indeed "one law for the rich, one for the poor" and by the 390s, one group of the peasantry was tied to suit its landlords' interest...

author who mentions most of them, attacks them, and steams ahead on his course. Down the course, however, I follow with fascination, frequent approval and thanks for a range of detail across 1300 years, cited without observable error.

The living heart of the book is a love of Athens, a sadly-needed statement of why democracy was the plain man's best friend and a study of the world's later degeneration.

Critics will complain that the book should be half the length and that all cross-references and flashbacks ought to have been banned as exploitation of the poor old reader.

I prefer to savour the struggle in full, its pauses for breath, its hatred of Rome and the rich and Yahweh, its slow gatherings of steam and its strings of well-told stories, lighting up the later Empire. It leaves me feeling that we all resemble slightly what we most profess to dislike.



Votive statue of a victorious youth from the sanctuary of Athena at Cape Sounion (early 5th century BC). It is one of the many striking photographs by Rolf Beny in "Odyssey" (Thames and Hudson, £30.00) with text and anthology by Anthony Thwaite

this or that era lead into a sudden, crushing flurry of ancient proof texts. Heresy is hammered, usually justly, and the story is propelled by a theory which explains almost everything.

have interviewed masses of peasants and seen, like a missionary, what their life was really like. The scholarship has something important for everyone, but the pedigree is the pearl.

Call me mother

BY SARAH PRESTON

The Myth of Motherhood

by Elisabeth Badinter, translated by Roger De Gars. Souvenir Press, £8.95, 360 pages.

Is maternal love an instinct, lying ready to be awakened in every female heart, or is the idealised concept of motherhood yet another tactic in a male conspiracy to keep women in second place?

There is no doubt where feminists like Elisabeth Badinter, a French psychologist, stand on this issue. A woman's first duty is to herself. "Motherhood is a gift and not an instinct," as F magazine in France put it in 1978 after polling 18,500 of its women readers.

When The Myth of Motherhood was published in France nearly two years ago it caused a furore. In fact, the hub of Elisabeth Badinter's argument now seems unexceptional. She uses material previously published by the French social historian Philippe Ariès and by Shorter for the English speaking world.

Of the 21,000 children born in Paris in 1780 some 19,000 were sent away to ignorant wet-nurses who crippled their limbs in swaddling clothes and neglected them in every other way. The infant mortality rate was over one in four.

It was only when Rousseau caught the attention of the middle-classes with the education of Emile, the boy, and Sophie, his future wife, that children became a focus of attention. Economic and social trends combined in favour of improved nurture of children at the expense of the subordination of women.

Mme Badinter (herself happily married and mother of three) argues cogently that since Rousseau, society has thrust guilt on women by making them believe they are not normal if they do not want children. As might be expected, she is particularly effective in demolishing Freudian theory.

Winnicott's "ordinary devoted mother" who is "ready, waiting unburied" while omitting mention of John Bowlby who has probably had the most influence here and in the US in the past 30 years, concerning the importance of the bond between a mother and her baby for the child's healthy psychological development.

So what is the lesson for society in general and women in particular? Most would accept that women should have a free choice whether or not to have children. They would agree that such a choice is available through contraception but that women are still susceptible to the images of their role projected by the media and the advertising industry.

The need for a child to have all his day-to-day care from his own mother has probably been overstated, but there is still ample evidence to show that children do need single-minded attention from the same small number of people. Unit employment is going to remain extremely difficult for those women who do choose to become mothers to have careers which are the equal of those who choose to stay childless.



Elisabeth Badinter: what price the maternal instinct?

Fiction

Far-flung German family saga

Days of Greatness

by Walter Kempowski, translated by Lelia Vennemann. Secker and Warburg, £7.95, 399 pages

Angel of Light by Joyce Carol Oates. Cape, £7.50, 434 pages

A Pale View of Hills by Kazuo Ishiguro. Faber and Faber, £6.25, 183 pages

The Bucksin Girl by Gwen Moffat. Gollancz, £8.95, 189 pages

From A Death in the Family

to The Pursuit of Love to The Leopard, family fact has often made good fiction. Walter Kempowski's Days of Greatness takes what seems to be his family in Rostock (the name given it is Kempowski, anyway) from around the beginning of the century to the end of the first world war.

A picture of the upper bourgeoisie in the Kaiser's Germany. Parallel runs the story of the de Bonsacs in Hamburg. Rugenotter manufacturers much longer established and rich.

At fifteen young Karl Kempowski falls in love with Gretche de Bonsac, who's seventeen and

indifferent to him, because in love elsewhere; and with the war and a slow, arduous courtship, mostly by post, the old love vanishes leaving space for the new — a trench-hardened, badly-gassed Karl.

This is the first translated volume of a family story that carries on to the 60s, and very well (if Americanly) it is translated; liveliness of style extending even to punning, which seems a miracle of translating skill. There's straight narrative and the testimony of friends, relations, acquaintances of all sorts; there's description and comment, and almost every page

has its snippets of song and rhyme, quotation serious or frivolous.

The mixture of large and small, exterior and interior life, the far-flung and the domestic, is vigorously stirred. One is taken inside a particular culture, particular places and times, sympathies and affections, and shares them all, has a sense not just of exact reminiscence but of vivid reality: of Rostock and Hamburg, of the trenches and the slow defeated homeward march. Kempowski's range of characters and sympathies is wide; his sense of life before the horrors of his life

(Nazism, the war, eight years' hard labour for the Russians) warm without sentimentality, emotionally exact one feels, and sensuously vivid.

Joyce Carol Oates writes about families too, but for me they fall totally to live, to convince. The gothic domesticity of her Bellefleur was much praised; Angel of Light, though different in atmosphere, is equally ambitious. It also seems to me equally verbose, repetitive, and lacking not just in humour but in irony. The story spans nearly forty years and takes two American school-boy friends from innocent affection to betrayal and death. Maurice and Nick are respectively good and brilliant; but Maurice is rich and established, whereas Nick has to make his way. He makes it — taking Maurice's wife with him. Their father's death and disgrace make Maurice's children, Owen and Kirsten, the "angel of light", swear vengeance on their Clytemnestra-like mother and her lover.

Enter left-wing guerrillas, murder squads, bombers, involving the young in horrific revenge. Nick survives Kirsten's wild knifing, a broken man, sick and shunned. As always, a summary of the plot tells nothing of the book's quality. To me, it seems pitifully long-winded and pretentious.

A Pale View of Hills, a first novel, is so elliptical it seems like sketches for a novel rather than the finished product; yet it is strangely memorable. A Japanese writer living in England, Kazuo Ishiguro sets his story in Nagasaki soon after the bomb fell, and then, a generation later, in England. Nothing seems to connect with anything else in the novel, and little happens, though the action skirts what is about to happen or has just happened, referring to it obliquely, almost shyly (or slyly): the bomb and its aftermath, a daughter's suicide, a friend's possible, though unlikely, move from Japan to the US.

There seems to me to be talent there: the talent to involve the reader in the neat, polite style, the polished economy of description; the talent to make one, though not exactly understand, the reasons for what happens, at least, follow, absorbed, the



Kazuo Ishiguro: from Nagasaki to England

action and reaction, the small, carefully constructed scenes that suggest, rather than directly describe, violence, menace, the macabre.

The Bucksin Girl is an adventure story, plain and fairly simple and exciting indeed. In the 1840s and '50s, the pioneer trails that took men, women, children and animals to California across two thousand miles of hostile Indian country in wagons, with every sort of inimical weather and condition to contend with, showed people at their worst and best and this is the story of one of them, led by an 18-year-old girl who is haunted by the (true) story of the Donners who, a few years earlier, snowed up within a few miles of help, took to cannibalism.

Gwen Moffat, herself a mountaineer whose memoir, Space beneath my feet, was a celebration of physical adventure and hardihood, is magnificent on the logistics and detail of the operation — what happens when wagons get stuck, what to do in snow/desert/mountain/river-crossing, and with thieves/murderers / toonies / deserters / Indians/grizzly bears. But her heroine is a Hollywood hoyden and that's the book's limitation: it is written in modern idiom and the freedom — sexual and conversational — is familiar to us but doesn't ring 19th-century. Read Laura Ingalls Wilder for (I imagine) more authentic pioneering manners.

Danger points

BY IAN DAVIDSON

The Baroque Arsenal by Mary Kaldor. André Deutsch, £7.95, 294 pages

The Nuclear Barons by Peter Pringle and James Spigelman. Michael Joseph, £12.95, 578 pages

Mary Kaldor's thesis, in this suggestive if disorganised book, is that the US is being dragged down by the costs of developing increasingly sophisticated high-technology weapons systems. She calls these weapons systems "baroque" because they are increasingly elaborate refinements of the types of weapons which won the last war: the ships, tanks and aircraft. Not merely do their costs escalate uncontrollably, but each generation of aircraft becomes more unreliable, more difficult to maintain and operate than its predecessor.

Mary Kaldor lays the blame on the weapons technicians (and more generally on the interconnections of the military-industrial complex). Many attempts have been made to generate simple, robust weapons systems, and all have been foiled by the special interests.

One consequence of baroque weaponry, if it is not really the cause, is the "fossilisation" of America's defence industry around decadent industrial sectors like automobiles and aircraft. Ms Kaldor's prescription is a thorough-going review of

military strategy, and a junking of all these high-tech weapons in favour of precision-guided munitions, which she thinks would be cheaper and better adapted for defensive strategy. In view of the cost-escalation of the PGMs already in use on American aircraft, it is not clear to me why new PGMs should be cheap, but her general point that there must be something profoundly wrong with the perpetual pursuit of more weapons per weapon is well taken.

Quite the worst part of Mr Peter Pringle and Mr James Spigelman's The Nuclear Barons is the blurb, which gives the impression that this is a breathless shock-horror scandal. Anyone who hopes for that kind of treatment will be disappointed. Instead it is a detailed and sober history of the development of nuclear weapons and nuclear power from the beginning until the present day. True, there are many anecdotes about the people involved, and there is an underlying theme of scandal, in the sense that the proponents of nuclear power have consistently sought to conceal the real costs and dangers.

The authors do not assert that nuclear power generation is wholly unnecessary, but they do assert that the control of the proliferation of nuclear weapons must start with controls on the production of nuclear power generation. This is a responsible, and possibly an important book.

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Woolf's London

BY VALERY McCONNELL

The London Scene. by Virginia Woolf. The Hogarth Press, £4.95, 44 pages

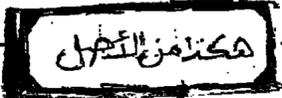
The Hogarth Press is to be congratulated. Not only in managing to find some still collectively unpublished pieces by Virginia Woolf to bring out in this centenary year of her birth, but also for packaging them so elegantly. The jacket is beautifully designed by Angelica Garnett, the paper is of a thick and creamy quality, the type is large and the margins are generous. These five essays on aspects of London were written in the early 1930s in the inter-war lull and their tone is contemplative — lyrical rather than satirical.

The London of which she writes was still the heart of the Empire. Appropriately, the book opens with the essay on the docks, the then hub of

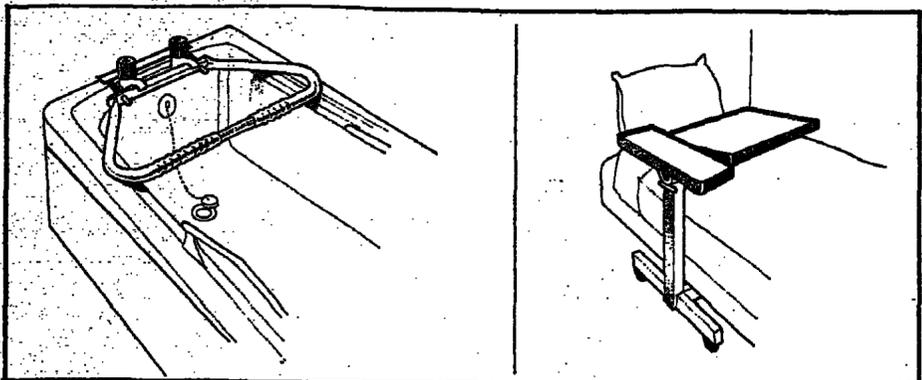
Britain's vast sea-trade, and closes with a view of the House of Commons — sleek, masculine centre of much of the political world. Despite being written in the years of the Depression, the essays have an air of humming prosperity and powerful control. It is indeed the structure and style that are the strength of the essays rather than their content. Her leisureed and detailed description of ships being unloaded at the dockside produce measured and ordered sentences which seem at variance with the grim working conditions that then existed. For this reason the best essay is on the houses of Carlyle and Keats. Here the hindsight of 50 years does not disturb Virginia Woolf's musing, and her thought that the Carlyles' life must have been deeply affected by the lack of piped water to the house remains apt.

W.H. Smith Annual Literary Award. for the most outstanding contribution to English literature in a book published last year has been won by George Clare for 'LAST WALTZ IN VIENNA The Destruction of a Family 1842-1942'. Published by Macmillan £8.95. WHSMITH logo.

HOW TO SPEND IT



by Lucia van der Post



Left, bath support rail and right, an adjustable table for eating or reading in bed

Help about the house

THE YEAR of the Disabled may be over but the disabled themselves are always with us. For them the problem doesn't go away. Those who are young enough or healthy enough never to have been forced to consider the matter naturally prefer to dwell on other things but common observation leads one to the inevitable conclusion that disability of some degree comes to almost all of us at some stage or another.

When I think back on the accidents that have befallen the family (two broken legs, one cracked arm, several cases of tennis elbow) not to mention accidents to colleagues, it seems obvious that the daunting phrase "aids for the disabled" turns out to cover a host of useful props that not only help the severely handicapped but see many of us through moments of crises in our lives.

All credit therefore to the Boots chain which has gone to considerable effort to make easily available to everybody a wide range of what it chooses to call "aids to personal independence."

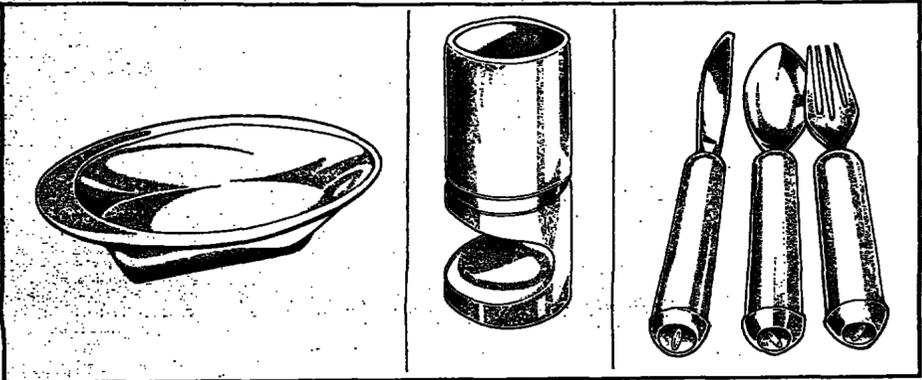
Boots did a great deal of market research and discovered that though there was a good range of props for most purposes on the market it was only possible to buy them all easily if you lived in London. Anybody living outside might have to make long journeys and visit several different towns before finding what they needed—and it scarcely needs saying that those who need them most are least well placed to travel long distances.

So Boots decided to find out what the best available aids were and then to make them available to customers through all its shops up and down the country. Only 40 branches (the largest) will stock the complete range on the premises. Some others will stock a few items but anybody can go into any and every Boots store and consult a catalogue and so order whatever it is they want. It will then be sent to their particular branch.

On offer is the whole gamut of aids from a wide variety of wheelchairs and accessories to something as small as walking stick tips (92p each).

There is a whole range of safety aids for the bathroom—bath mats with slip resistant surfaces, bath seats for those who have trouble getting in and out of the bath, a bath support rail (sketched above, £10.95), and an adjustable bath board (this not only has a recessed soap tray but has built-in handgrips). Those who are temporarily ill in bed might appreciate the adjustable table (sketched above, £49.50) which makes eating, reading or working in bed much easier—the main top can be angled for reading or writing. One or two items, like the jar and bottle opener, would be welcome in the most robust of households.

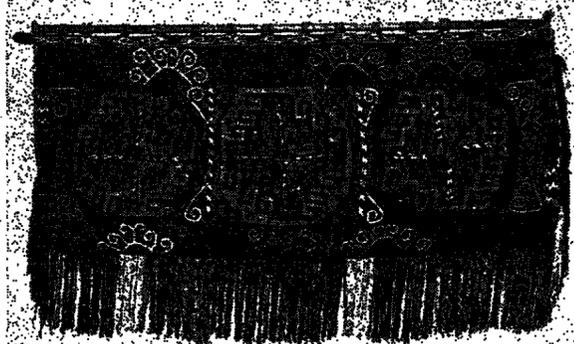
There are products to make eating easier for those with arthritic or damaged hands from two-handled cups to "ess-grip" scissors. There's a splendidly solid range of Manoy cutlery which is particularly useful for those who have the use of only one hand (designed rather like the one Nelson had made for him after he lost his arm in the Battle of Cape St Vincent).



Melamine Manoy plate £2.25 and beaker £2.10, and Easy Grip cutlery (£5.95 the set)

GRAHAM AND GREEN is probably known to most readers of this page as an enchanting small shop selling an eclectic mixture of all the things that add charm and character to a home. Whether it be old lace bedspreads, new hand-embroidered linen from China, funky ceramics, enchanting lamps or glassware, whatever Graham and Green sells is usually a little bit different from the usual mass-manufactured stock.

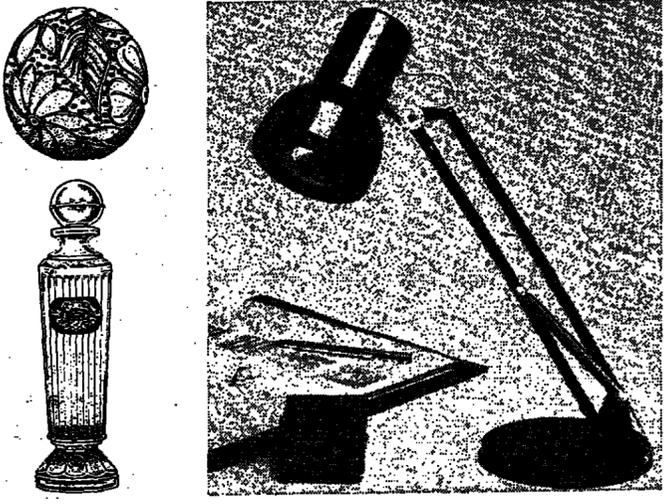
However, last year the shop had a one-off exhibition of rugs bought from Afghanistan and selected by Alastair Huli. It was such a success that this year the shop is holding another exhibition and sale—once again collected by Alastair Huli in Afghanistan (don't ask me how). The Turkoman and Baluchi Kelims are very hard-wearing, very colourful (they add immediate impact and character to almost any room) and prices start at £45 and go on up to £750. Graham and Green is at 4 and 7 Elgin Crescent, London W11. The sale is from today until March 6.



ALMOST every day it seems manufacturers come up with yet more ingenious ways of packaging some of the sweet smells that are now so popular. L'Artisan Parfumeur is an enchanting small shop at 194 Walton Street, London SW2 which specialises in selling all the sweet essentials of life—the deliciously seductive bath oils, the perfumed pomanders, scented candles.

Sketched right is a beautiful bottle of special bath oil—scented with fresh grapefruit, the bath oil separates (purposefully) into three different colours in different layers so that not only is it delicious to use but it is a visual delight. £14 (p+p £1.50).

The beautifully wrought terracotta pomander stays fragrant for well over a year. It is unfortunately very expensive (£11 for small pomanders, £17 medium-sized, £36 large) but it is filled with a sweet resin to which oil is added. Refills are £8.



HOW IMAGINATIVE are you with cheese? If you're at all typical you probably only think of it as something with which to end a meal, to put in sandwiches or to add to a white sauce. Once upon a time there may have been some excuse for such laziness or lack of imagination, when our knowledge of cheese was poorer and had access to limited varieties.

Nowadays, however, supermarkets like Safeways have more than 50 varieties to choose from and my local village shop, Bannisters of Newick in Sussex, stocks between 30 and 40 different cheeses. So there really is no excuse not to "think cheese" more often. Besides being infinitely delicious, it is an excellent source of protein and grammae for grammae a great deal cheaper than meat.

Anybody wanting to look further into the subject might like to buy *The Book of Cheese* by Evan Jones (published by Poysermac, £2.95) — it is full of fascinating information and has stimulated my interest greatly. Some of the recipes given below come from it.

Fresh Parmesan is far, far superior to the grated variety sold in little drums and it is now sold by the Safeways food chain. Cube it and deep fry as a nibble with drinks or add the fried cubes to lightly steamed cauliflower or leeks tossed in butter and lemon then sprinkled with oregano.

Mozzarella is usually thought of as the pizza cheese. Indeed the factory-made type is labelled as such, but if you can get it fresh from a delicatessen simply slice it, pour a little good olive oil over it, add plenty of freshly ground black pepper, decorate with an olive or two, some tomato and a little watercress. Serve as a side salad or as a starter.

Goat's cheese, also available from Safeways, is delicious grilled on a piece of toast with a fried egg on top, a squeeze of lemon to taste.

Alternatively, make a sandwich with it, trim off the crusts, dip in beaten egg and fry on both sides till golden.

When making a cheese sauce try occasionally using Derby sage or Cresswell or even Camembert instead of cheddar.

If you live near a Greek delicatessen ask for a "soft" Haloumi cheese, slice it 1/2 inch thick, deep-fry until golden and serve with a wedge of lemon as a starter.

Emmentaler soup serves 4

— Cheese soup, not found too often here but very popular in Switzerland, can be made with almost any cheese you like. This traditional recipe comes from Evan Jones' book. It is very good.

A really good beef stock is important in this recipe.

4 tablespoons butter; 3 oz flour; 22 fl oz beef stock (heated); 1 tablespoon caraway seeds; freshly grated nutmeg; 1 large clove garlic, finely chopped; 2 eggs beaten; 6 fl oz cream, heated; 3 oz emmentaler, grated; 3 or 4 tablespoons chopped parsley; salt and freshly ground black pepper.

Melt the butter in a large pan, add the flour and stir over a gentle heat until it turns a rich brown without burning. Add the stock and blend to a smooth consistency, add the caraway seeds, garlic, salt, pepper, and plenty of nutmeg. Simmer on a low heat for about 45 minutes, by which time it should be fairly thick. Stir in the beaten eggs. Put the hot cream and the grated cheese in a warmed tureen and pour the soup over, stir and serve at once very hot. Sprinkle parsley over each serving. Croutons are ideal with it.

Blue cheese meatballs serves 4

1 1/2 lb lean minced beef; 1 1/2 teaspoons salt; 1 clove garlic finely chopped; 1 large egg; 1 lb blue cheese cubed; 4 tablespoons butter or oil; 8 fl oz red wine; flour.

Combine the meat with the salt, garlic and egg. Shape it round each cube of cheese to form balls, roll them in the flour and saute in the butter or oil, turning frequently until well browned. Add the wine,

cover and simmer for about 10 minutes.

Have you tried a Roquefort filling for a quiche? Simply mix together 2 whole eggs, 2 yolks and 6 ozs of cream with 3 oz of crumbled Roquefort, fill a 9 in quiche shell and bake for about 30 minutes at gas mark 4 (350F).

Cheese fondue serves up to 8

Family fun with cheese is of course the Swiss cheese fondue. If you have never made it or tasted it have a go with this simple basic recipe.

12 fl oz dry white wine; 1 lb gruyere cheese; 1 lb emmentaler cheese (both grated and must not be the processed variety); 2 teaspoons corn-flour; 3 tablespoons kirsch; freshly ground black pepper; 1 clove garlic, freshly grated nutmeg (optional); lots of crusty bread, cubed.

An earthenware casserole or fondue dish is necessary, 2 metal ones will not do. Rub the inside of the dish with the garlic. Pour in the wine and heat it to boiling point, but do not let it actually boil. Add the cheese stirring all the time with a wooden spoon; when you have a creamy consistency and it is barely simmering add the kirsch which you have blended with the cornflour. Stir until the mixture bubbles, season to taste with pepper and nutmeg.

Place the dish over the fondue burner (if you do not have one a nightlight candle and a loose bottom cake tin will do!) but do not let it go on simmering, simply keep it hot. Should the cheese become too thick add a little more wine. Dip the cubes of bread in oil, turning frequently until well browned. Add the wine,

Cheesy Jerusalem artichokes serves 4

Jerusalem artichokes, marinated, rolled in cheese, coated with a beer batter and deep fried are hard to beat.

1 1/2 lbs of Jerusalem artichokes; 1 small onion; milk; 2 fluid oz olive oil; 1 tablespoon vinegar; salt; freshly ground pepper; 1/2 teaspoon dried basil; 12 fluid oz beer; 4 oz flour; 1 tablespoon paprika; 2 oz grated Parmesan; oil for deep frying.

Pour boiling water over artichokes and rub off skin. Put them in a saucepan with onion and enough milk to cover thoroughly, bring to the boil and then simmer for 20 minutes. Drain artichokes, cut in slices while still warm and marinate immediately in olive oil, vinegar, salt and pepper to taste, and basil.

Meanwhile prepare batter by mixing beer and flour sifted with about one tablespoon of salt and paprika. After 30 minutes or more drain dry artichoke slices and dredge them in the grated cheese. Dip in batter and fry until golden brown in hot oil.

I would be tempted to serve this as a dish on its own between courses or even as a supper dish with a tomato salad.

If any reader has an original recipe using an unusual cheese I would love to hear about it.

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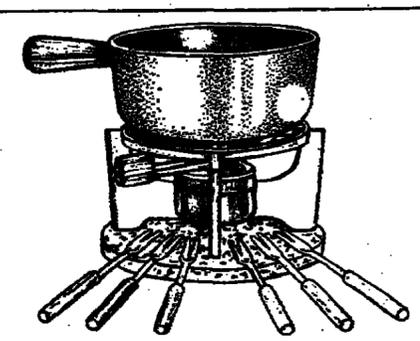
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Try saying cheese

BY JULIE HAMILTON



Cheese fondue set from a range by Cousances (there are meat sets too) available from Covent Garden Kitchen Supplies, Covent Garden Market, London WC2. From £28.51 each.

mouth as the cheese is very hot! New potatoes are about now; have you ever thought of serving them with a blue cheese and cream sauce? Combine in a blender one quarter part any blue cheese to one part cream, add some chopped walnuts and heat but do not boil. Pour over the hot cooked potatoes.

Cheese and potato souffle

This recipe is basically Hungarian and you may use any cheese or combination of cheeses you fancy or happen to have in the larder.

10 oz boiled potatoes (the waxy type are best); 6 tablespoons grated cheese; 4 large eggs; 6 fl oz sour cream; 4 teabsp butter melted; 2 teabsp flour.

Separate the eggs. Combine the yolks, flour, sour cream and melted butter together in a saucepan and beat well. Put over a low heat and stir constantly for about seven minutes. Pull off the heat and continue stirring for a further five minutes. Grate the cold potatoes and with the cheese add them to the egg mixture. Whip the egg whites until really stiff and fold them in. Turn into a buttered souffle dish and bake at gas mark 5 (375F) for about 25 minutes. Sprinkle grated cheese on the top just before serving.

Cheesy Jerusalem artichokes

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Return of the Hollywood greats

WHAT FAMOUS film featured three directional greats of Hollywood, Erich von Stroheim, John Ford and Raoul Walsh among its supporting cast; spent an uncomfortable amount of time venerating the Ku Klux Klan; and did more than any other single work in movie history to fund the visual vocabulary of modern cinema?

If your lips are shaping *The Birth of a Nation*, you are right. The video-cassette department of Polygram Classics, "Spectrum Video," have issued D. W. Griffith's 1915 behemoth of a silent epic in a grand new version for home consumption, complete with orchestral score and a fair degree of success in steady sound-speed jerkiness into a watchable continuum.

Griffith's 2 1/2-hour magnum opus of the American Civil War is really two films in one. The first half is a prodigiously vital and inventive whirl through the war itself—God's-eye-views of smoke-furled battle scenes, thrilling and precipitate cutting, a literal cast-of-thousands—punctuated with the domestic-romantic fortunes of two families, one Northern, one Southern. The second half continues the family saga into the aftermath-of-war and also gives us Griffith's controversial and decidedly bizarre (even in its own time) tribute to the birth and early rampaging of the Ku Klux Klan: "the organisation," says a title-frame, "that saved the South from the anarchy of black rule."

The racist elements of the movie, which was originally titled *The Clansman*, brought down such a potter of protest in its day that Griffith went on to make *Intolerance* (1916) just to show that he was not. (Intolerant.) This levitation also—118 minutes of description-begging spectacle ranging from Babylon to Manhattan—is available on Spectrum's catalogue, with a special piano accompaniment.

Structurally, if not ethically, *Birth of a Nation* is without doubt the finer of the two films. Griffith's style has a wonderful speed, "colour" and cogency. He was virtually inventing as he went along such now taken-for-granted movie tropes as the close-up, the jump-cut and the fast tracking-shot. And he varies image-impact by blacking out parts of the screen—with

VIDEO REVIEW

NIGEL ANDREWS

shadows or the narrowing aperture of iris-shots—to concentrate attention on the focal point: a girl's face, a revolver, a line of troops etched on the skyline.

Video now makes it possible to stop and start, speed or slow-down, rewind and re-view, the picture—depending on your machinery's sophistication—and study in detail what is the blueprint for movie evolution in this century.

You may even, if you are sharp-eyed enough, glimpse the three fleeing directors named

above. No problems with Raoul Walsh—he plays John Wilkes Booth, Lincoln's assassin, first seen scowling in a bower of light outside the theatre-box. But Ford is mostly concealed within KKK robes and Von Stroheim—if I spotted correctly—dits briefly in and out in black face as a Lieutenant of the darkie "villain" Silas Lynch. (The film's use of white actors to play principal blacks is another unfortunate aspect of the racial motif. One is led to suppose that the American South in the 1890s was entirely populated by Al Jolson impersonators.)

The only querulous technical note worth raising vis-à-vis Spectrum's version of *Birth of a Nation* is that the jacket clearly announces the presence of



From Griffith's *Birth of a Nation*

"colour tints" and no colouring was evident at all on my copy.

No such complaint with *Intolerance*, which unfolds in a sumptuous and always apposite series of mauve and sepia and pinks and blues (based on the tints used in the original showings of the film). *Intolerance* is four stories interlarded to illustrate the theme of the title. The Passion of Christ, the conquest of Babylon by Cyrus the Great, the St Bartholomew's Day Massacre, and a "modern" melodrama of fairly awful banality about a girl saving her beloved from the scaffold.

I put on my hairshirt to confess that I skimmed through the modern story at high speed with the "Fast forward" button and lingered over the others. *Intolerance* sets are astonishing to this day. They make 20th Century Fox's Alexandria sets for *Cleopatra* look like left-overs from a Lego set. But what is still more breathtaking than the scale and spectacle of the buildings—gargantuan statues, a massive flight of steps, a triumphal arch topped and bristling with hundreds of extras, vast fluted pillars crowned with elephants' ramparts—is the cinemascence with which Griffith holds back long-shots of this piece de resistance until late in the film and even then rations them so that we're agog for more.

Add a generous dash of battle scenes—giant war-machines trundle up to 100-foot walls, smoke and fire rage, a soldier's head is lopped off with a sword—and it's very probable that Griffith's Babylon sequences are more of an action-packed eye-fest than was the original fracas between Cyprus and Bels-hazzar back in 639 BC.

One complaint only about this Spectrum *Intolerance*. The sound-speed jerkiness-of-motion that was minimised in *Birth of a Nation* is more evident here and tends to unite the thronging human flossam of four epochs in a common anticipation of the Keystone Cops. Isn't this a difficulty that modern techniques could overcome—even if by reprinting frames to increase the ratio of footage to soundtrack?

The cost of the two tapes is £39.56 each.

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Back to earth

BY B. A. YOUNG

After this week we can put James Joyce back in the box for another 50 years. There really isn't enough in him—I mean him, not what he wrote—to make any more centenary out of Joyce than began to be itself. Anyone quoting Joyce is latched on to "the heaven of stars"; anyone quoting Finnegans Wake went for "the hitherandthithering waters of it". Some did it better than others: for example, Marys Selber's Ulysses cantata last Monday comes from another and finer world than Anthony Burgess's Ulysses musical.

On Tuesday we had Poet's Joyce, a series of four poems dedicated to him. The best of them was certainly that of Hugh MacDermid, which dealt less with Joyce than with English literary criticism. All four, except possibly P. J. Kavanagh's, were to my mind better than any of the poems in Pomes Penyeach. These are at least less sentimental than the poems of Chamber Music; they wrap vaguely masochistic romantic thoughts in the language of last century. I can't think how the man who wrote Ulysses could have written them.

On Thursday we heard them set to music by composers of the time as if they were by Housman, and prettily sung by Merial Dickinson after an interesting introduction by Peter Dickinson about their original publication in The Joyce Book. I've not had the fortune to see this, which was published in a limited edition of 500 copies; but surely the songs ought to be sung by a male voice?

The previous day there was Shems Progress, a hitherandthithering poetic fantasy about the making of Finnegans Wake. Extracts from that difficult work were beautifully read by Deborah Molloy, while around them were various matters showing where Joyce got his inspiration from, and how his work struck his friends, his family and his publisher. Joyce himself was ably played by Jim Norton; other players representing his brother Stanislas, his publisher Harriet Shaw Weaver, Ezra Pound and James Stephens were all called in to help with Finnegans Wake, and the Sugawa Folk gave us the title song itself. I enjoyed the programme very much. It was written by John Quinn and directed by Piers Plowright.

To shake off the fey feeling that Joyce left with me, I plunged into Afternoon Theatre on Radio 4. On Wednesday there was Home from Home by R. E. T. Lomb, about an Anglo-Indian lady who comes to live in a "private place of retirement for professional ladies" in England after a lifetime in India. On Thursday, The Bird Table by David Bartlett, in which a middle-aged man who has left his wife for a young girl loses his memory and finds his way back to his old home. In England after a lifetime in India. On Thursday, The Bird Table by David Bartlett, in which a middle-aged man who has left his wife for a young girl loses his memory and finds his way back to his old home. In England after a lifetime in India.

To get me right back into the least magical part of the present day, there was a tremendous programme on Tuesday on Radio 4 called Cropping Buffoons. Ray Gosling, who has always given me the impression of being in the van of trendy youth, even if the youth has begun to wear off, gave the first really trenchant anti-rock sermon I have heard. This was no ageing conservative sounding off against modern youth; this was the real thing, from a man who has been through the mill himself.

He traced the progress of youth fashion forward from the Teds and examined each modification in turn—the Mods and Rockers, the Punks, he knew every variety and hated them all. As he pointed out, rock music has always been based in savagery. First we had slitting upholstery, now it has developed into mass riots, riots against nothing. Boys and girls asked why they broke things up said frankly that it gave them kicks. "A big roar of discontent," said one girl. "It was great!"

I hope this programme will be repeated once a week on Radio 1, and always at different times, so that it will take people by surprise. We can't go on for ever believing that it's fun, there's no harm in it. Let's hear from you. Mike Read, Simon Bates, Dave Lewis, Paul Burnett, Steve Wright and all the rest.



Canterbury, by Albert Goodwin

Albert Goodwin

BY BRIONY LLEWELLYN

"I wonder sometimes," remarked Albert Goodwin, "if the spirit of old Turner makes use of my personality! I often find myself doing the very things that he seemed to do." Walking round the recent exhibition of his watercolours at Sotheby's Belgravia, it was easy to agree, for few artists have captured so closely the spirit and form of his watercolours. Yet that entry in his diary was written in 1911, over half a century after Turner's death and at a time when art was on the threshold of radical changes, none of which had any effect on Goodwin, even though he went on painting up to his death in 1932.

Most of Goodwin's work is best described as "poeticised topography" (as in the introduction to the catalogue which accompanies the show). Like Turner's, the basis for most of his art was his own experience, but as he grew older, more and more transmuted through memory into a poetic recreation of that experience. Thus, in Boston Street, painted in 1907, all detail is dissolved in the misty atmosphere through which soars the church tower, its bulk enhanced by the emptiness of the river below.

Goodwin is best known for such atmospheric evocations, whether of his native landscape or that of Italy or Switzerland (haunts of Turner's). But he also travelled further afield—to Egypt, India, New Zealand and the West Indies—and found as much inspiration in the white brightness of the Taj Mahal or the dusty haze of Cairo as in the soft vapours of Venice or Fribourg. Yet even far away from Europe Turner was in his thoughts: "What things Turner would have done under the inspiration of such cities as Benares."

Goodwin borrowed many of Turner's compositional devices to give his images greater impact: dramatically high or low viewpoints, bold diagonals thrusting into the picture, a throng of little figures dwarfed by a solid mass of architecture, and prompted by his knowledge of Japanese art, he added one of his own, making trees or foliage act as a kind of frame for the buildings (often a church tower).

Like Turner, Goodwin astonished with his technical virtuosity, rendering apparently unattainable effects of light and atmosphere with a skilful combination of broad washes and detailed pen-work, and employing a mixture of media, partly scraped or wiped out. By these means he could convey, more successfully than many artists,

both natural and artificial light effects—sunsets, moonlight, fire, the glow of street lamps, the flare of fireworks. Bristol Docks by Moonlight and Sunset over Venice, are fine examples.

Although Turner was the chief influence on his mature and later work, particularly from c. 1895-1925, Goodwin had been taught by Arthur Hughes and the Pre-Raphaelite, Ford Madox Brown, and had begun in their manner, with "truth to nature" as his maxim. Their influence is felt in his early work in the concern for detail and clear colour, especially noticeable in The Conservatory.

For Goodwin, the link between the Pre-Raphaelites and Turner was John Ruskin, champion of both, and his mentor for many years. Through him Goodwin learnt the value of form and line as well as colour. Apart from a few purely imaginative compositions inspired by literature or the Bible, Goodwin's work was rooted firmly in reality, though often overlaid with an element of mystery or otherworldliness. It is the combination of fact and fantasy which makes him so distinctive an artist.

The exhibition was organised by the Bolton Museum and Art Gallery.

Operetta at the Wells

BY ANTONY THORNCROFT

The National Westminster Bank is contributing £35,000 towards the Sadler's Wells Theatre's own production of Offenbach's operetta The Grand Duchess of Gerolstein which opens on April 28. This is not only the biggest single sponsorship Sadler's Wells has yet received; it also makes much more likely its ambition to establish a permanent company promoting operetta in London as a lighter hearted competitor to Covent Garden and the Coliseum.

Sadler's Wells has had its problems in recent years, not least the problems of identification. It sometimes seemed to provide a London home for some of the wildest fantasies of theatrical and musical impresarios. Even some of its regular visitors such as D'Oyly Carte, moved elsewhere, taking its annual Christmas season of Gilbert and Sullivan to the Adelphi this year, although to no financial advantage.

Now the prospects for the Wells are improving. It launched operetta in its own productions last year and with audiences for The Gypsy Princess approaching 70 per cent it believes it has tapped a market not supplied by the established opera houses. The season made a profit and The Gypsy Princess is being revived next month. Already a much longer season is planned for early 1983 with a more ambitious programme, covering English as well as French and Viennese operetta. It seems as

if Sadler's Wells will be among the first in the ring to provide a need, in the development of an operetta company is the comparative success of its subscription programmes. Subscription schemes have been over-sold as the cure for all the financial difficulties of arts organisations. They ensure a large sum of money up-front, enabling companies to avoid expensive bank overdrafts; they fill seats at an early stage; they enable more adventurous programmes. Unfortunately they cost a lot of money in administration and marketing.

Sadler's Wells experimented with a subscription scheme last year involving dance companies. It planned for 4,500 tickets and achieved 3,500. Even so £82,000 was subscribed, a useful advance sum, and the promotion of the scheme obviously encouraged more off-take for individual performances because the dance season, unlike the American dance season in the summer, was a great success, with the Japanese Kabuki and Northern Ballet achieving a virtual sell-out, and the Sadler's Wells Royal Ballet almost 90 per cent of capacity.

More ambitious subscription scheme has been launched for this spring, covering both opera—the operetta season and the annual visit of Kent Opera

—and dance. Sadler's Wells Royal Ballet, Northern Ballet, and Australian Dance Theatre. The cash target is £70,000 and already £38,000 has been subscribed for a season which does not start until the end of March. The cause for satisfaction is that over a quarter of the subscribers are going for a package of dance and opera, suggesting that Sadler's Wells is right to concentrate on establishing a role as a lyric theatre, half dance, half opera, while achieving drama.

Sadler's Wells, without direct Arts Council support, is now more than breaking even. It still has a problem in deciding whether it is a building or a production company, but its experiences in the past year as a promoter—presenting such disastrous seasons as The Theatre de Silence—have clarified its ambitions. It will continue to offer a home to proven companies, like the London Contemporary Dance—

—who can afford to rent its stage; it will continue to share box office receipts with such regulars as the Sadler's Wells Royal Ballet; it will continue to promote such hardy annuals as Kent Opera; but it will also try to develop its own productions, built around its operetta company. With the appearance, just a few days ago, of the Librarian it has become even more urgent for Sadler's Wells to develop its own personality, to attract its own clientele. It seems to have discovered a role just in time.

The Treat

BY ROSALIND CARNE

We all know that men are monsters. But surely a woman playwright could venture a more off-take for individual performances because the dance season, unlike the American dance season in the summer, was a great success, with the Japanese Kabuki and Northern Ballet achieving a virtual sell-out, and the Sadler's Wells Royal Ballet almost 90 per cent of capacity.

The principal victim, Marie, is a religious freak who endeavours to convert her sisters. François, her brother, is too cynical to care, nor do they pay much attention to her racking illness. Their guilt when disease takes its toll provides an odd lynchpin to the strained plot.

A nasty little pimp keeps the play afloat with a certain gusto as he introduces the various "messieurs" (the vaguely French location feels somewhat gratuitous). One gentleman enjoys the little girl routine, another has a penchant for triticism; buggery is always popular, as are various forms of brutalisation. I should point out that all this happens off-stage, though we are treated

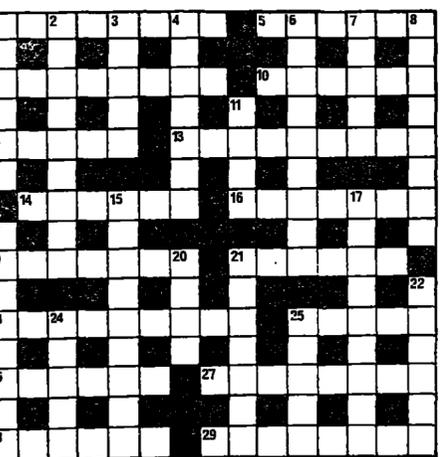
to a mechanical act of simulated copulation between Marie and the boss. He expresses a glimmer of personality in his anxious sea-sawing between unctuous flattery and camaraderie, mingled with a heartless business sense towards the girls. His conversation with one wealthy caller draws some nice parallels between destructive father-daughter relations and the habits of the sexual underworld—a spark of thoughtful illumination in the course of a grim hour.

Stephen Macha has provided a conventional plush set of drapes around a well-upholstered chaise longue, and the array of costumes is mildly picturesque.

F.T. CROSSWORD PUZZLE No. 4,797

A price of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name: Address:



- ACROSS
1 Got into Egypt as father of Ham (8)
5 British heat the common sausage (8)
9 & 10 Stevenson's work shows ultra-readiness to excite (8, 6)
12 Girl a long time admitting name (5)
13 Devon's rocket site? (9)
14 Monday is difficult for the generator (6)
16 Garden frame? (7)
19 Many supplementing novel sort of crowd (7)
21 In this Olympic event, the record goes to America (6)
23 I sit inert, unsettled—it's this eye trouble (9)
25 Snake of summer (5)
26 Snow begins French winter—react to the cold (8)
27 Unmarried girl shut up is wasted (8)
28 Imply non-existence of Tyne-side crowd (6)
29 Self-caterers? (8)

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BBC 1

6.25-8.05 am and 8.30-8.55 Open University (17H) only. 9.05 Sports. 9.30 Swap Shop. 12.12 pm Weather. 12.15 Grandstand including 1.05 News Summary; Football Focus (12.20); World Cup Skiing (12.45); Boxing (1.10); Racing from Newbury (1.50, 2.30, 3.00); World Bobsleigh Championships from St Moritz; Hockey (2.50, 3.20); The Rank Zero Indoor Home International Championship; Rugby League (3.55) State Express Challenge Cup (St Helens v Wigan); 4.45 Prime Time football scores; 4.55 Final Score news round-up plus classified results.

5.10 The All New Pink Panther Show. 5.30 News/Regional News. 5.45 The Circus World Championships. 6.45 Jim'll Fix It. 7.25 Nanny. 8.15 The Les Dawson Show. 8.45 Dallas. 9.25 News and Sport. 9.50 Match of the Day. 11.00 Parkinson with his guest Ben Vereen. 12.00 Golden Soak by Hammond Innes.

Regional Variations: Cymru/Wales. 5.40-5.45 pm Sports News Wales. Scotland—9.05-9.30 am Mac Is Moa. 5.40-5.45 pm Scoreboard. 9.50-11.00 Sports scene. 12.50 am News and Weather for Scotland. Northern Ireland—9.05-9.10 pm Scoreboard. 3.40-5.45 Northern Ireland News and Weather. England—3.40-5.45 pm Saturday Spotlight (South-West only).

BBC 2

7.40 am-1.55 pm Open University. 2.25 Saturday Cinema: (1) "Lisbon," starring Ray Milland and Claude Rains. 3.50 The Sky at Night. 4.10 Saturday Cinema: (2) "A 31m Aloha," starring Ray Milland. 5.45 Bowls: Embassy World Indoor Championship. 6.45 Life in Care. 7.15 News and Sport. 7.25 Did You See...? 8.15 Spain—a return to the battlefields.

Solution and winners of Puzzle No. 4,791

Sheila Price, 76 Field Barn Drive, Weymouth, Dorset. Mrs M. Woods, Larchwood, Hadlow Down, East Sussex. Mr M. J. Greener, 33, Glen HFA, The Knapp, Barry CF6 8TA.

9.05 Film International: "Mirror" (Russian film with English subtitles). 10.50 The Light of Experience. 11.05 News on 2. 11.10-12.55 am Midnight Movie: "The Wicked Lady," starring Margaret Lockwood, James Mason and Patricia Roc.

LONDON

8.35 am Sesame Street. 9.35 Space 1999. 10.30 Tiswas. 12.15 pm World of Sport: 12.20 On the Ball; 12.45 World Cup Skiing from Australia; 1.00 Women's Cricket: World Cup Final from New Zealand; 1.15 News; 1.20 The ITV Six from Ayr and Caterick; 3.00 and 3.30 Moto Cross from Huddersley; 3.20 Report on the Holton Tennis final between John McEnroe and Ivan Lendl; 3.45 News; 4.15 Wrestling; 4.50 Results.

5.05 News. 5.15 Happy Days. 5.45 Dick Turpin. 6.15 The Goodies. 6.45 3-2-1 presented by Ted Rogers. 7.45 Hart to Hart starring Robert Wagner and Stefanie Powers. 8.45 News. 9.00 "Bite the Bullet," starring Gene Hackman, James Coburn and Candice Bergen. 12.20 am London News Headline. The Follow-up to Johnnie Carson's Tonight, with guest Lynn Redgrave. 1.00 am Close: Sit up and Listen with Ian and Jennifer Partridge.

All IBA Regions as London except at the following times:— ANGLIA 9.00 am Saaxing Street. 10.00 Sport. 1.15 pm Mr Merlin. 7.45 Magnum. 12.30 am At the End of the Day.

BORDER

9.25 am Thunderbirds. 5.15 pm Mr Merlin. 7.45 Magnum. 11.30 Hear, Here.

CENTRAL

9.05 am Point Along With Nancy. 9.30 Sesame Street. 5.15 pm Mr Merlin. 7.45 Magnum.

CHANNEL

6.15 pm Sport and Music. 5.30 Pudding Pictures. 7.45 The Full Grog.

GRAMPIAN

9.00 am Systems Street. 10.00 Joe 90. 8.15 am Mr Merlin. 7.45 Magnum.

GRANADA

8.20 am Snobsman. 8.40 Thunder-

birds. 5.15 pm Bugs Bunny. 5.20 Cray. 7.45 Magnum. 12.30 am Nilaviv.

HTV

9.10 am The Adventures of Black Beauty. 9.35 Thunderbirds. 12.13 pm HTV News. 5.14 HTV News. 5.15 News on 2. Casino Royale, starring Peter Sellers.

SCOTTISH

8.15 am Vicky the Viking. 9.40 Thunderbirds. 5.15 pm Mr Merlin. 7.45 Hart to Hart. 12.30 am Late Call.

TSW

9.15 am Wheelers and the Chopper Bunch. 9.30 The Saturday Show. 10.30 The Incredible Hulk. 11.20 Survival. 11.45 University Challenge. 12.12 pm ITV Regional News. 5.15 Mark and Mandy. 5.40 Newsport. 7.45 The Fall Guy. 12.20 am Postscript. 12.25 South West weather.

TVS

9.00 am Saturday Brief. 9.05 Sesame Street. 10.00 Here's Boomer. 10.30 To 72. 5.15 pm TV8 News. 5.20 News. 7.45 Magnum. 12.30 am Company.

TYNE TEES

9.00 am Cartoon Time. 9.10 Sport City. 9.40 Thunderbirds. 12.13 pm HTV News. 5.14 HTV News. 5.15 News on 2. Mr Merlin. 7.45 Magnum. 12.30 am Three's Company.

ULSTER

10.00 am Sunday. 1.18 pm Lunchtime. 5.00 News. 5.15 pm Mr Merlin. 7.45 Magnum. 12.30 am Ulster Weather. 11.20 News at Bedtime.

YORKSHIRE

9.00 am The Saturday Morning Picture Show: "Living Free," starring Susan Hampshire and Nigel Davenport. 5.15 pm Mr Merlin. 7.45 Magnum.

RADIO 1

(S) Stereophonic broadcast. † Medium Wave only. 5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 12.00 My Top 12. 1.00 pm Adrian Edmondson. 2.00 A Long in New York (S). 2.05 Paul McCartney (S). 4.00 Writers' Weekly (S). 5.00 Rock with Tony (S). 5.30-7.30 in Concert, featuring Joan Armstrong (S).

RADIO 2

5.00 am Peter Marshall with the Saturday Early Show (S). 8.00 Radio Bulletin. 8.05 David Jacobs (S). 10.00 Star Choice (S). 11.00 Sports Desk. 11.20 Top Gear (S). 1.00 pm Know Your Place. 1.30 Sport On 2. Football: FA Cup Fifth Round commentary and highlights; cricket, reports on Sri Lanka v. England; Racing from Newbury (2.00-2.40); 5.00 Sports Report. 6.00 Country Greats in Concert (S). 7.00 Rock with Tony (S). 7.30-9.00 am Top 12 and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.05 News. 8.05 Aubrey (S). 9.05 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Meyer Concert (S). 12.15 pm Bandstand (S). 1.00 News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.05 Critics' Record. 6.35 The Classical Guide (S). 7.25 a Journey, by Train (S). 8.00 "The

THEATRES

ADRIAN PHILIP. S. CC 01-836 7511. D'OYLY CARTE. S. CC 01-236 5000. GILBERT AND SULLIVAN. Season ends Sep 27. 3.30. 7.30. 9.30. MICKADO. 7.30. 9.30. MARY MACK. 7.30. 9.30. CREDIT CARD HOLDING 01-920 0741.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 News. 6.52 Weather. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.30 News. 9.35 The Week in Westminster. 10.30 Daily Service (S). 11.30 Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Just a Minute (S). 12.55 Weather. programme. 1.00 Ant and Dec's Quiz. 1.05 Shipping forecast. 2.00 News. 2.05 Thirty Minute Theatre (S). 2.30 Desert Island Discs (S). 3.30 The British Seafarer (S). 4.15 Feed-back with Tom Vernon. 4.30 News. 4.35 The Take Away. 5.00 News Up To Now. 5.25 West End (S). 5.30 Shipping Forecast. 5.55 Weather. programme news. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson. 7.25 Baker's Dozen (S). 8.30 Saturday Night Takeaway. 9.30 Weather. 10.00 News. 10.15 Beyond the Threshold. 11.00 Lighthearted Darkness. 11.15 World in Edgeways. 11.45 From 12.30 AVAILABLE AT THE WINDMILL THEATRE.

BBC RADIO LONDON

5.00 am As What? 7.30 Good Friday. 8.00 news, weather, traffic, sport. 8.05 Weekend What's On. 8.30 Travel Round-up. 8.35 Westminster at the Races. 9.30 Opening. 10.02 AM That Jazz. 11.30 The Robbie Vincent Show. 1.02 am Breakfast. 2.30 The Great Comedian. 5.00 Guideline. 5.30 Quast. 6.00-6.40 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Chase. 10.00 Jollybone with Tommy Boyd. 12.00 LBC Report with Dee Fahy. 1.00 pm Sportswatch with Dominic Allan. 1.45 pm Mel. 8.00 News. 8.15 pm News. 8.30 News. 8.45 pm News. 9.00 pm News. 9.15 pm News. 9.30 pm News. 9.45 pm News. 10.00 pm News. 10.15 pm News. 10.30 pm News. 10.45 pm News. 11.00 pm News. 11.15 pm News. 11.30 pm News. 11.45 pm News. 12.00 am News. 12.15 am News. 12.30 am News. 12.45 am News. 1.00 am News. 1.15 am News. 1.30 am News. 1.45 am News. 2.00 am News. 2.15 am News. 2.30 am News. 2.45 am News. 3.00 am News. 3.15 am News. 3.30 am News. 3.45 am News. 4.00 am News. 4.15 am News. 4.30 am News. 4.45 am News. 5.00 am News. 5.15 am News. 5.30 am News. 5.45 am News. 6.00 am News. 6.15 am News. 6.30 am News. 6.45 am News. 7.00 am News. 7.15 am News. 7.30 am News. 7.45 am News. 8.00 am News. 8.15 am News. 8.30 am News. 8.45 am News. 9.00 am News. 9.15 am News. 9.30 am News. 9.45 am News. 10.00 am News. 10.15 am News. 10.30 am News. 10.45 am News. 11.00 am News. 11.15 am News. 11.30 am News. 11.45 am News. 12.00 am News. 12.15 am News. 12.30 am News. 12.45 am News. 1.00 am News. 1.15 am News. 1.30 am News. 1.45 am News. 2.00 am News. 2.15 am News. 2.30 am News. 2.45 am News. 3.00 am News. 3.15 am News. 3.30 am News. 3.45 am News. 4.00 am News. 4.15 am News. 4.30 am News. 4.45 am News. 5.00 am News. 5.15 am News. 5.30 am News. 5.45 am News. 6.00 am News. 6.15 am News. 6.30 am News. 6.45 am News. 7.00 am News. 7.15 am News. 7.30 am News. 7.45 am News. 8.00 am News. 8.15 am News. 8.30 am News. 8.45 am News. 9.00 am News. 9.15 am News. 9.30 am News. 9.45 am News. 10.00 am News. 10.15 am News. 10.30 am News. 10.45 am News. 11.00 am News. 11.15 am News. 11.30 am News. 11.45 am News. 12.00 am News. 12.15 am News. 12.30 am News. 12.45 am News. 1.00 am News. 1.15 am News. 1.30 am News. 1.45 am News. 2.00 am News. 2.15 am News. 2.30 am News. 2.45 am News. 3.00 am News. 3.15 am News. 3.30 am News. 3.45 am News. 4.00 am News. 4.15 am News. 4.30 am News. 4.45 am News. 5.00 am News. 5.15 am News. 5.30 am News. 5.45 am News. 6.00 am News. 6.15 am News. 6.30 am News. 6.45 am News. 7.00 am News. 7.15 am News. 7.30 am News. 7.45 am News. 8.00 am News. 8.15 am News. 8.30 am News. 8.45 am News. 9.00 am News. 9.15 am News. 9.30 am News. 9.45 am News. 10.00 am News. 10.15 am News. 10.30 am News. 10.45 am News. 11.00 am News. 11.15 am News. 11.30 am News. 11.45 am News. 12.00 am News. 12.15 am News. 12.30 am News. 12.45 am News. 1.00 am News. 1.15 am News. 1.30 am News. 1.45 am News. 2.00 am News. 2.15 am News. 2.30 am News. 2.45 am News. 3.00 am News. 3.15 am News. 3.30 am News. 3.45 am News. 4.00 am News. 4.15 am News. 4.30 am News. 4.45 am News. 5.00 am News. 5.15 am News. 5.30 am News. 5.45 am News. 6.00 am News. 6.15 am News. 6.30 am News. 6.45 am News. 7.00 am News. 7.15 am News. 7.30 am News. 7.45 am News. 8.00 am News. 8.15 am News. 8.30 am News. 8.45 am News. 9.00 am News. 9.15 am News. 9.30 am News. 9.45 am News. 10.00 am News. 10.15 am News. 10.30 am News. 10.45 am News. 11.00 am News. 11.15 am News. 11.30 am News. 11.45 am News. 12.00 am News. 12.15 am News. 12.30 am News. 12.45 am News. 1.00 am News. 1.15 am News. 1.30 am News. 1.45 am News. 2.00 am News. 2.15 am News. 2.30 am News. 2.45 am News. 3.00 am News. 3.15 am News. 3.30 am News. 3.45 am News. 4.00 am News. 4.15 am News. 4.30 am News. 4.45 am News. 5.00 am News. 5.15 am News. 5.30 am News. 5.45 am News. 6.00 am News. 6.15 am News. 6.30 am News. 6.45 am News. 7.00 am News. 7.15 am News. 7.30 am News. 7.45 am News. 8.00 am News. 8.15 am News. 8.30 am News. 8.45 am News. 9.00 am News. 9.15 am News. 9.30 am News. 9.45 am News. 10.00 am News. 10.15 am News. 10.30 am News. 10.45 am News. 11.00 am News. 11.15 am News. 11.30 am News. 11.45 am News. 12.00 am News. 12.15 am News. 12.30 am News. 12.45 am News. 1.00 am News. 1.15 am News. 1.30 am News. 1.45 am News. 2.00 am News. 2.15 am News. 2.30 am News. 2.45 am News. 3.00 am News. 3.15 am News. 3.30 am News. 3.45 am News. 4.00 am News. 4.15 am News. 4.30 am News. 4.45 am News. 5.00 am News. 5.15 am News. 5.30 am News. 5.45 am News. 6.00 am News. 6.15 am News. 6.30 am News. 6.45 am News. 7.00 am News. 7.15 am News. 7.30 am News. 7.45 am News. 8.00 am News. 8.15 am News. 8.30 am News. 8.45 am News. 9.00 am News. 9.15 am News. 9.30 am News. 9.45 am News. 10.00 am News. 10.15 am News. 10.30 am News. 10.45 am News. 11.00 am News. 11.

Saturday February 13 1982

Financing the Pentagon

IT IS many years now since Mr Charles Wilson set a permanent benchmark in corporate arrogance when he proclaimed "What's good for General Motors is good for America," but his spirit seems to live on at a national level. At a recent meeting sponsored by the American Enterprise Institute, another senior figure from the motor industry, Mr William Niskanen, explained why the Administration is so relaxed about its enormous planned Budget deficit.

Wall Street, said Mr Niskanen—who has left Ford to join President Reagan's Council of Economic Advisers—is too insular in its thinking. It might be difficult for the Government to borrow \$100bn from the pool of U.S. savings, but America borrows in a world market, tapping the savings of much richer nations. He saw little danger, during a recession, of financial crowding out on a world scale.

Targets

Mr Niskanen cannot be faulted on analysis; but it is just because he is right that the U.S. Budget is availing such indignation in Europe. Sir Geoffrey Howe did not go through the agonies of a harsh Budget last year in order to make room in the markets for rising U.S. borrowing; it was not for this cause that President Mitterrand shelved some of his electoral spending commitments, or that Chancellor Schmidt offended his left-wing supporters. They all hoped to secure lower interest rates, and a revival of investment. They find it intolerable that President Reagan should pre-empt so much of the world's financial capital to finance defence expenditure without reneging on his tax promises.

To be sure, the U.S. deficit is not driving up interest rates at the moment. With a sharp recession in the U.S. itself, and little buoyancy anywhere, the monetary authorities are generally encouraging rates to drift down. This is true even in the U.S., where the unyielding Mr Paul Volcker has proclaimed monetary targets which many on Wall Street regard as too restrictive.

Letters to the Editor

Laker
From Mr B. Payne
Sir,—The collapse of Laker pinpoints immorality of nationalisation.

British Airways lost £140m in 1980-81 and is forecasting a loss of £100m for 1981-82. It is increasing its indebtedness to the Government by £100m to pay for redundancies. Employees of Laker can expect only the statutory minimum redundancy payment.

No wonder Mrs Thatcher is embarrassed. We should all be banging our heads in shame that we, as voters and citizens, have supported and condoned governments and attitudes which have allowed this patently immoral situation to develop.

B. Payne,
191, Forest Road,
Tunbridge Wells, Kent.

Aviation

From Dr J. Salomon
Sir,—In the wake of the tragic crash of the Laker Air company I find it completely incomprehensible that our Government should not have taken some steps to, at least, underwrite the credit facilities to enable this very efficient airline to continue in operation. I find this particularly ironic and sad in view of the fact that one of the major factors in Sir Freddie's downfall was the price-slashing by British Airways—in concert with PanAm and TWA—at a time when it was losing millions, nay hundreds of millions of pounds of taxpayers' money. In other words you and I have subsidised BA's desperate attempt to "Bring down Laker."

Well, it succeeded, with our tax support and now we will all pay for it once again as the fares are raised with no Laker competition to be feared. What a set of double standards from our so-called free enterprise, market economy Prime Minister and Government.

I write as a very disillusioned

low. On a world scale, it is a very large number—it may well prove substantially bigger than the OPEC surplus, which has been such a cause of disruption in recent years. Large imbalances mean international trouble.

Of course the President's proposals do not seem much more popular in Congress than they are internationally; but the reason is different. The Budget includes proposals for a range of painful welfare cuts, designed to prevent the deficit from rising still further, to perhaps \$150bn on the optimistic assumptions about growth and interest rates which the Administration makes, and perhaps \$200bn on more realistic ones. These cuts are highly unpopular with Congressmen facing re-election this year, and may be blocked.

Critics

The U.S. defence budget also has its vocal critics in Congress, and may be trimmed, but unfortunately these two forms of opposition to the President's policies cancel out in financial terms. The Budget passed by Congress may differ widely from that proposed by the President, but nobody expects the bottom line to be much more acceptable. U.S. political observers expect that it will be 1983 before the economic facts of life bully the President into the same kind of painful decisions that the UK faced last year—of which Mr Garrett Fitzgerald is trying to persuade Irish electors to face this week. Given the fact that the pain from U.S. policy errors is so widely diffused over the world, it could take even longer.

Escape route

If the President will not yield in time, will Mr Volcker? The widespread criticism of the Fed in the U.S., actively encouraged by the Administration, keeps that possibility alive; but ironically the fear of an inflationary option is at present helping to keep Wall Street demoralised, U.S. rates high and the dollar strong.

A second possible escape route lies in European action to impede the operations of the international capital market, through which the pain is transmitted. This idea—essentially Mr Edward Heath's "ring fence"—is now being urged by the French, and is plausible enough to revive thought of possible exchange controls. Indeed, this caused a brief flurry in the sterling market yesterday. However, there would be severe technical as well as political problems, and markets are on the whole resigned to the fact that we cannot escape a world dominated by U.S. decisions. Sir Freddie Laker, an early victim of the dollar's rise, may possibly have found a personal escape route; but for the rest of us, it is likely to take longer.

Expenses

From Mr W. Hobhouse
Sir,—Last week I spent four nights in a 3-star hotel in Manchester. The standard of accommodation, service and catering was comfortable but in no way luxurious. For this privilege, my company paid £40 per night; or an annual equivalent (for 50 weeks) of £8,000.

Unless room occupancy is far lower or the capital cost of building hotels far higher than one could expect, this seems to me a clear case of market pricing; which we all seem to accept. The standard reaction seems to be "it reduces the company's tax liability, so why not?" At a time when corporate profitability is under severe pressure this argument is wholly invalid—no profit means no tax liability.

Since executive expenses must be controlled in the same way as all other overhead expenditure, there is clearly room in the market for a low cost operator offering cheaper accommodation.

W. Hobhouse,
1, Parsonage Lane,
Market Lavington, Wilts.

Interaction

From Professor F. Height
Sir,—I would be glad to answer Mr John Dingle's questions (February 4) about the teaching of engineering and art. When the serious teaching of industrial design began in this country after the war, it was recognised that industrial designers, representing art in industry, needed a level of technical competence in order to operate in collaboration with engineers and now all polytechnic design courses have studies in materials and manufacturing technology. And we now have a joint two-year course with the

THIS MORNING Sir Freddie Laker has woken up a new man. He has a friend, and his friend has money.

A week ago today Sir Freddie's empire was in ruins, but now the old ebullience is back.

If the ambitious plans hurriedly being laid actually materialise, Sir Freddie could soon be back in the air as chief executive of a "People's Airline." This potential comeback, which may yet prove too good to be true, owes everything to another free-wheeling entrepreneur, Mr Roland "Tiny" Rowland, chief executive of Lomrho.

It was Rowland, a friend of Sir Freddie for more than 25 years, who telephoned last Sunday offering to help. It is Rowland who is working on the financial package needed to launch the new airline.

Sir Freddie and Tiny Rowland took time yesterday morning to elaborate on their plans and aspirations. In Lomrho's sixth-floor executive offices the two men even allowed themselves to speculate about buying a part of British Airways after achieving the initial goal of a new airline with a London Stock Exchange quotation.

It all began last Sunday, two days after Laker Airways called in the receivers with nearly £240m of outstanding debt and

It was Rowland who telephoned offering help

no hope of further bank support. "When I heard that Freddie Laker had gone broke, I rang him," said Rowland.

Meanwhile, the Orion Royal Bank, a small subsidiary of the Royal Bank of Canada, announced to the world that it was trying to rescue Laker Airways. What did Rowland think of the attempt? "There wasn't a hope in hell of Orion producing a solution," he said.

As soon as Orion announced its failure on Monday evening Sir Freddie met Rowland at his solicitor's office in the City. Rowland spoke first. "I said 'Hello Freddie, let's sort it out'."

There was nothing new about this sort of exercise for the controversial Tiny Rowland. "You ask Jim Slater. He is a friend of mine. We helped Jim Slater to pay off a £1m loan. He made money and we did and we said 'Goodbye'."

But Rowland has no plans to say "goodbye" to Sir Freddie. And Sir Freddie confirmed that yesterday. "We are talking about an airline forever."

But wasn't that the hope for the last Laker airline? "Yes," sighed a weary Sir Freddie, "yes it was, but I kept it going for 16 years." Then, looking tired and drawn, Sir Freddie leaned forward and commented: "I've lost everything else, but



the only redeeming feature left is that in the 34 years I operated I didn't ever lose a passenger. My safety record is unbeatable."

Stringent safety records notwithstanding, an airline must also be solvent. Rowland stressed yesterday that his team of accountants from Peat Marwick Mitchell had worked all night on Wednesday and had produced a report which "encouraged us to continue."

"Before we put up a penny we are going to be absolutely certain the company is going to be viable. We don't plunge or rush into things," declared Rowland.

Sir Freddie agreed that under his verbal agreement with Lomrho the new airline would only "get off the ground" if it looked as though it would be profitable and if the licences could be obtained to fly as a scheduled operator on the North Atlantic route.

Sir Freddie claims to have

been very impressed with the solicitors, accountants, financial experts and other management staff at Lomrho. On Thursday evening he said: "I've learned

to be over and said he was "flying high."

He is still the same Sir Freddie however, lavishing superlative praise on his

friends, particularly Lomrho: "They are incredible. They are very efficient. I like their style, their friendly open-door style. If anyone thinks the Lomrho management is a bit thin on the ground they ought to come round here for 48 hours."

Sir Freddie's mention of Lomrho's efficiency and manage-

'This is a complete reversal for me... I have conceded the point that when it comes to an airline this size, I can no longer be a one-man operation'

ment strength may prove timely. Within the next few days Lomrho is set to approach the Department of Trade to ask for a second turn at bidding for the House of Fraser stores group.

In a report published on December 9 last year by the Monopolies and Mergers Commission, the commission took the view that Lomrho's bid was "against the public interest."

Among its comments, the commission said: "We believe that in view of the lack of depth of relevant experience in Lomrho, temporary and perhaps more permanent damage to House of Fraser's efficiency would result from the merger."

Sir Freddie says simply: "Any organisation that has £1bn of capital employed and has a turnover of £2.5bn is obviously good to have as a partner."

The funds will be available, added Rowland. Finance would not be a problem in putting to

muscle but a willingness to provide guarantees of support for the airline.

The CAA will also have to be assured that in spite of Laker Airways' phagocytosis, Sir Freddie and his colleagues are able to provide the management needed for a new airline.

Once the licences are secured Sir Freddie believes the rest will be achievable. But a complex financial package will still have to be negotiated. It will need to include a satisfactory agreement with the U.S. Export-Import Bank's receiver, Mr Guy Parsons, on the purchase or leasing of the five McDonnell Douglas DC-10s with

which Lomrho-Laker want to start the airline. The £200m syndicate provided \$225m of loans in 1980 to help Laker buy the aircraft.

The financial package will also have to take in a cash injection from Lomrho of maybe £15m to £20m. And the airline will have to bid for offices and hangars at Gatwick Airport; these are now held by the Laker receivers.

If the company progresses as planned, the Stock Exchange will have to approve a listing. After that the "People's Airline" must attract both institutional and private investors.

Once the licences, finance and Stock Exchange quota-

tion are achieved the airline will still need customers. A wave of publicity may initially attract passengers, but the airline will not survive unless it maintains demand.

To succeed as Skytrain did the airline will have to count on low-fare, high volume business. It will almost certainly meet with cut-throat competition from Laker's traditional enemies, the major airlines.

The final obstacle which Sir Freddie and Tiny Rowland face may seem trivial, but it has brought down larger enterprises than this. It is the question of whether two such strong personalities can work together successfully over time.

That's one of the most generous offers I've ever heard," exclaimed Sir Freddie, clapping his hands together.

It was the sort of offer which might have come from either Rowland or Sir Freddie. The two entrepreneurs have much in common. They have both battled governments and bureaucracies with mixed success. They are both anti-establishment mavericks, willing to split in the wind when it suits them. They are both bold and innovative men. And both owe self-confidence. As Tiny Rowland put it: "If I felt I couldn't be of use to Sir Freddie and to Lomrho Limited, then quite clearly I wouldn't have picked up the telephone."

owes it all to Rowland. "This is a complete reversal for me," says Sir Freddie. "I have conceded the point that when it comes to an airline this size, I can no longer be a one-man operation."

As for Rowland, he is "incredible" according to Sir Freddie. When television cameras began rolling on Thursday night and microphones were thrust in the faces of the two men, Rowland declared that even if the new airline did not succeed, he would personally "foot the bill" if necessary for all those passengers who had booked Laker tickets up to last Friday.

MAJOR OBSTACLES STILL TO COME

department of mechanical engineering at Imperial College. Our problem is not so much the marriage of art and engineering as the establishment of an understanding of the commercial potential of design by economic analysts, marketing consultants, accountants and the senior management and Boards of directors of British companies.

Frank Height (Professor), School of Industrial Design, Royal College of Art, Kensington Gore, SW7.

Temptation
From Mr D. Main
Sir,—Max Wilkinson, your Economics Correspondent, reports (February 5) that the Chancellor of the Exchequer might be able to reduce taxes in his forthcoming budget by 1 to 2% and still retain a borrowing target of £9.5bn.

When I read the many proposals being put to the Chancellor for reducing taxes, I have the feeling that most of them will be spread so thinly that their effect will be much less direct and not so beneficial in economic terms as their supporters would have us believe.

The single, most effective improvement which would be felt throughout the country, both corporately and by individuals, would be a significant reduction in interest rates. Such a move could be assisted greatly if the Chancellor would use his apparent "surplus of £2bn" to reduce the government borrowing requirement and ignore the temptation of relatively minor tax reductions.

Donald A. Main,
Mahogany,
Chippierfield,
Hertfordshire

SurchARGE
From Mr Michael Noar
Sir,—I was surprised to read Professor Alan Budd's support for cutting the National Insurance Surcharge (F7, Feb 3).

He concedes that "there is a short-term problem of excessive labour costs and firms are likely to try to solve this problem not only by resisting wage claims but also by shedding labour." Surely this is a necessary precondition to a soundly based recovery.

If, as he suggests, we try to prevent this process by giving what amounts to a general employment subsidy, the opportunity to bring our labour costs into line with our competitors will have been lost. Existing manning levels and labour practices will be carried forward into the recovery and any increased spending power will go once again to imports rather than to home industry.

I also feel that Professor Budd is wrong to suggest that the only options open to the Chancellor are personal tax cuts, help to companies or reduced PSBR.

There is a fourth option in the shape of increased public sector capital investment. This would in my view be a more certain way of creating new employment, it would have less risk of fueling renewed inflation and would also have great immediate and long-term benefits for the private sector.

M. D. Noar,
Mill House,
Hollingbourne, Kent

Swords
From Mr C. Estrup
Sir,—When encountering devious mathematical schemes, such as diagonal concealment of the true length of a package, as suggested by Mr Upton (February 1), the postal authorities are able to resort to another restriction: the sum of the length and the largest circumference, measured in the perpendicular plane, must not exceed two metres.

Christian Estrup,
PO Box 218,
Horsens, Denmark

Ulster
From Mr J. Andrews
Sir,—Sir John Biggs-Davison (February 8) asserts the need for an upper tier of local government and rejects the need for devolved government in Northern Ireland. This is his lesson of Stormont. The lesson of direct rule, however, is that

Northern Ireland does require a devolved Government on economic grounds. The economy of the province is in ruins. A devolved Government containing Ministers with local knowledge and interest could attract jobs to the province. Stormont Ministers proved successful in creating jobs in the 1960s. This is the positive lesson of Stormont.

Mr Prior's proposals for "rolling devolution" must be welcomed as a step towards Government with minority participation. This would help the province with both its security and economic problems.

John W. H. Andrews,
Pembroke College, Cambridge.

Secretaries
From Mrs C. Spicer
Sir,—I strongly resent the implications in the "trailer" advertisements culminating in the quarter-page effort (February 4), from CPT (UK) that word processing is something that has to be sold to secretaries. My experience over the past three years has been quite the opposite. In the main, secretaries, both senior and junior, welcome any machine which removes the most boring part of their job, ie the re-typing of letters, reports, accounts, etc, which the average boss has great difficulty in getting right the first time. In fact, if some bright manufacturer could programme their word processor to make coffee then secretaries would beat a path to their door!

Let us remove once and for all the belief that today's secretaries are latter-day Luddites. The truth of the matter is that managers do not want word processing, they know that by releasing their secretaries from the mundane repetitive tasks there is a grave danger that others will actually see what every secretary knows, that the job their bosses are being paid to do is being done, quietly, by them.

(Mrs) C. Spicer,
55 The Grove, Linton,
Cambridgeshire.

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Ivo Dawney and John Lloyd explain why Mr Murdoch has issued an ultimatum to his staff at New Printing House Square.

The Times—back to the brink again

WHY IS there once more a crisis at Times Newspapers, and how serious is it?

No question. It is serious. Times Newspapers are costing Mr Rupert Murdoch £15m a year and present a danger to the "old" members of News International group, the Sun and the News of the World. The group's money spinner, the Sun, shines a little less brightly than it did. It had to drop its price from 12p to 10p for two months last year as the 10p Daily Star ate into its circulation: its bingo campaign in the second half of last year has proved very costly. The City would not be surprised by a half-year loss to December 1981 (the company's reporting year runs June to

News of the World will move to Wapping over the next two years and will wish to bring in the newest of new technology. That will leave the Boulevard Street headquarters empty and valuable but nowhere near valuable enough to cover new plant costs.

Mr Murdoch must do three things at Times Newspapers if it is to cease to be on him the burden it has been to its previous proprietors. He must increase circulation, increase advertising and cut costs, particularly labour costs.

Mr Harold Evans, the Times editor, believes all three can be achieved. His circulation target is 350,000 copies a day, and he is already having increased circulation from an average 279,000 in the period July-December 1980 to 298,000 in the same period last year. He has told Times staff he is firmly in pursuit of Telegraph readers seeking a change.

What was the cause of the latest crisis?

A small upturn since winter's darkest days

June), and would be surprised by more than a small profit on the full year.

Last November, at the AGM of his Australian group, News Corporation, Mr Murdoch predicted that he would maintain net profits worldwide. But as analysts point out, recent statements have been less bullish.

There has been a small upturn since the darkest days of winter. The Sun, pursued by the Star, has been able to raise its prices to 14p and its heaviest bingo advertising costs are behind it: the Australian TV and magazine interests continue strong and the New York Daily Post—which also runs bingo—appears to be winning some key circulation and advertising battles with the Daily News, the New York Times and the afternoon edition.

But the British interests must pay their own way and that way looks costly. The Sun and the

Ironically, the opening of the present hostilities between management and unions began on Armistice Day—November 11—last year. Mr Rupert Murdoch, the new proprietor called a "summit" of the five print unions' general secretaries and in a bluntly frank speech, warned that losses running at £15m a year meant drastic

The meeting followed an inconclusive suspension of publication of the Sunday Times in September after repeated disruptions of production over manning and pay levels.

Anticipating that this summit would fail, the management also began carefully to prepare a new strategy. The atmosphere of crisis generated by the closure threat was carefully planned before Christmas.

Last Monday, this surfaced in the form of Mr Murdoch's "ultimatum" in a letter to staff. The company's finances



Glyn Cerin/Philip Thompson

so desperate, it said, that the whole of News International—including the Sun and the News of the World—was now losing money, leaving 6,000 jobs at risk. Six hundred jobs at Times Newspapers had to go "within days rather than weeks" to prevent closure.

The simple answer, the management claims, is that no one really knew the extent of the problem. Murdoch's bid depended on speed and the negotiations had to be carried out within days.

The only source of information on manning levels were Thomson's figures and the company's 64 union bargaining units themselves. Management succeeded in negotiating 563 job losses among full-time staff and 100 part-time or shift staff.

However, the company claims

that some of these cuts proved to be pyrrhic victories. Of the 220 redundancies sought among the 800 members of the National Society of Operative Printers, Graphical and Media Personnel (Natsopa), 130 were agreed. But as 110 "vacancies were" available only 20 real cuts were actually made.

The company also claims that an agreement to reduce National Graphical Association (NGA) composing-room staff from 372 to 188 has been badly held up as a consequence of delays in introducing new cold-type computer setting technology to replace the old-fashioned "hot-metal" system, still used in most of Fleet Street.

Because of this it is willing to delay the cuts already agreed with the NGA. But it says it cannot delay the other cuts on members of Natsopa.

Will the unions agree? Nobody doubts that Murdoch

means what he says. But there is a major question mark over whether a settlement can be reached by the deadline for redundancies of 10 am next Thursday.

Union chapels most affected by the cuts—in particular the Natsopa clerical staff and the Natsopa machine assistants—remain deeply sceptical that redundancies can be found in time.

One area for compromise could be an agreement to the cuts in principle, but with an extension to the time-scale. But in talks so far company negotiators have stuck firmly to their position that the deadline runs out next week.

However, Mr Arthur Britten, corporate relations director of News International, told the Financial Times this week: "I would think that if negotiations were at a crucial yet hopeful stage, I cannot imagine that for the sake of a day or

two they would be cut off. But equally if the unions say let's keep talking and not commit ourselves, there would be a cut off."

So far, leaders of the clerical chapels, where 370 job cuts are sought from a total clerical staff of about 670, believe that only about 100 would go voluntarily.

Despite the recent closure threat, Mr Murdoch's management team has repeatedly emphasised that profitability could be found in the corner. A popular theory among some union officials is that Mr Murdoch intends to transfer the editorial and administrative staffs of all four News International papers to Gray's Inn Road, leaving the valuable News of the World and Sun building in Boulevard Street free for sale or redevelopment.

This move would allow the centralisation of advertising staff (due to be cut by over half on the Times and Sunday Times) and accounting operations. Printing of all papers would be carried out at the parent company's Wapping plant, currently under construction.

Mr Murdoch himself prophesied as recently as October last year that the Sunday Times could be making reasonable profits shortly. "I don't think it is unreasonable to expect Times Newspapers to break even in the year to June 1983," he said.

The bulk of the needed extra revenue is expected to come from the Sunday Times, which is due to raise its cover price by 5p to 40p shortly, and has already increased advertising rates.

Has Mr Murdoch observed the conditions imposed upon him by Mr John Biffen, the Trade Secretary, on his terms aimed at protecting the editorial independence of the papers?

Concern has been expressed on this front. The Sunday Times journalists made an abortive effort to meet Mr Biffen on the sacking last month of Mr Ron Hall, then joint deputy editor of the Sunday Times, and the demotion in effect of Mr Hugo Young the other deputy editor, to number three in the editorial hierarchy to make way for Mr Brian McArthur.

The journalists alleged that while these dispositions had been formally made by the paper's editor, Mr Frank Giles,

NATIONAL DAILIES NET SALES FIGURES

	July-Dec. 1981	July-Dec. 1980	% change over
Sun	4.14m	4.14m	+10.6
Daily Mirror	3.41m	3.41m	-5.1
Daily Express	2.13m	2.13m	-3.1
Daily Mail	1.87m	1.87m	-45.8
The Sun	1.51m	1.51m	-6.3
Daily Telegraph	1.34m	1.34m	+5.0
Guardian	0.40m	0.40m	+6.7
The Times	0.30m	0.30m	+0.6
Financial Times	0.20m	0.20m	

Source: Audit Bureau of Circulation

they were done on the direct commands of Mr Murdoch.

A number of those closely involved are certain this was the case. Mr Giles has emphatically denied it.

The Biffen undertakings state that "subject only to any annual budget for editorial space and expenditure, the editor shall retain control over the appointment, disposition and dismissal of journalists on his newspaper."

Some journalists argue that although the letter of this agreement has not been breached, the spirit was always bound to prove impossible to keep.

Weekend Brief

A 'Kipper' time for London Taxis

IN SPITE of the rail strikes, this is the time of year the London taxi trade calls the kipper season—flat and godless.

London's 11,500 cabbies expect the period between Christmas and the first frocks of tourists to be quiet, even when times are good. Recession has muted it further—and now, perhaps surprisingly to some people, the rail strikes have cut business by a further 10 per cent.

David Barnes, editor of the Licensed Taxi Drivers' Association newspaper, Taxi, has been out cab driving himself to gauge the effects.

"A few nights have been disastrous," he reports. "It's in the evening that business has been most badly hit. The West End theatre and restaurant trade is well down because people know that they're got to be home by midnight before a strike day if they're not going to get stuck somewhere."

The report Wall Street dare'n't miss

NOTHING short of presidential assassinations seems to have the power to stock the financial world like the U.S. weekly money supply report put out by the Federal Reserve. To the layman it might be an iron-monger's price list for all the excitement it excites. But for anyone who deals in dollars and interest rates, changes in M1 can mean millions of dollars made or lost.

The money supply report was released yesterday afternoon at exactly 4.10 pm, as it is every Friday, a date everyone on Wall Street just has to keep whatever his weekend plans. (The

Call for better breakfasts

I WOULD'NT for the world disclose the name of the small hotel where I stay when the engine-drivers of British Rail prevent me from going home. Not because it is specially comfortable, or has particularly amiable service; but because the overnight rate is £10.50 for bed and breakfast. Yes, breakfast.

When I follow my fortunes into the regions, I stay at somewhere rather more ambitious than this somewhere with four stars in the reference books. A four-star room, with a built-in bathroom and an intrinsic television set and a glossy magazine telling me what's going on in the neigh-



Rail strikes have cut business by a further 10 per cent

"By 11.30 pm, even on a Saturday night, Piccadilly Circus is just about deserted."

The effects are uneven. Lunch-time trade has also become quieter, simply because of the smaller numbers at work.

Rush-hour trade, in financial terms at least, has held up.

"Come the rush hour, instead of driving people to Waterloo or the other stations, we're now taking them out to places like Banstead and Purley," says Barnes.

And Geoffrey Kaley, managing director of London-wide Radio Taxis, says: "It is our

Fed used to put them out on Thursday which was a lot more popular. The news comes clattering across the Reuter and Dow Jones newswires. But where do Reuter and Dow Jones get it from?

The answer is a small, windowless and sparsely furnished room behind the granite facade of the Federal Reserve Bank of New York, a couple of blocks north of Wall Street. Starting at 8.30 pm every Friday, The New York Fed holds a press conference there which, necessarily, has to be tightly controlled because the information released is so sensitive. Only bona fide financial journalists are admitted, and each is served with a piece of paper laying out the ground rules on embargoes and "legitimate" topics for questioning and discussion.

First, journalists are handed a stack of papers giving the

hourlong, costs me somewhere around £30 a night. Bed and breakfast? No, no, bed and television and bath. Breakfast is extra.

There will be two sorts of breakfast. There will be a traditional British breakfast, beginning with orange juice, continuing with bacon and eggs, with sausages or tomatoes or other decorations, plus the necessary toast, butter, marmalade and coffee. Alternatively there will be a Continental breakfast. If you are lucky, you may have orange juice with this too, but more probably it will consist of coffee, rolls, butter and marmalade.

Naturally, when I say coffee I include the choice of tea, and when I say marmalade, I include honey or even black-currant jam.

The traditional breakfast will add anything between £3.50 to £4.50 to the bill. The Conti-

work pattern which has changed—the net result is that there are fewer people riding but for longer distances.

It is the radio-linked cabs, rather than those operated by individuals, which seem to be faring best. Since the strikes began they have picked up a considerable amount of company contract business, under which they take a cab-full of employees, with the company paying a monthly bill.

service into London for international telephone operators provides a typical example.

"There is a possibility that we'll keep at least some of the

Fed's banking statistics for the week, and a Fed spokesman points out the highlights, like how much money commercial banks had to borrow from the Fed to keep their balance sheets straight, and the "float" in the banking system: none of it thrilling stuff, but all grist to the bankers' mill.

That takes about half an hour. Then, just after 4 pm, with a Fed official standing firmly by the door, the money supply report is dishd out. A novice sees nothing but a confusing jumble of statistics, but the expert immediately spots the crucial figure: M1, and its change over the week. The Fed spokesman may offer a comment to explain sharp changes in the figures, but usually he lets them speak for themselves. At about 4.08 pm, the official at the door steps back, and the news agency reporters dash for phones on tables in the lobby

to relay the news to their offices. Even then, the agencies are supposed to hold the information back for another minute or so until exactly 4.10 before transmitting it to trading rooms round Wall Street where people are waiting with bated breath.

But they do not always. Mr Peter Bakstansky, a former newspaper editor who heads the New York Fed's press department says agencies occasionally jump the gun and get the news out a minute or so early. "They usually have some excuse like we pushed the wrong button," he said. On the whole, though, the system seems to work fairly well. In recent years there have been no instances of money supply "leaks." Some unkind critics have even said that if the Fed did as good a job controlling the money supply as it does controlling the weekly news release, all our troubles would be over.

fast in a modern hotel poses its problems. The butter comes in slice-sized pats wrapped up in foil. The marmalade (or in the case I'm thinking of, the honey, strawberry jam or blackcurrant jam) comes in tiny flat pots from which you peel off the top.

Where do you then put the foil and the pots? None of the etiquette books I know of give any hint of the polite procedure. I suppose one-slice pots of marmalade are not polite to them. Yet even in the four-star specials, they still turn up. Should we put the used back with the unused, or on the side of our plates, or in the ashtrays? If this is to be the table-manners of the future, we ought to have guidance.

Contributors
John Griffiths
David Lascelles
B. A. Young

TODAY: Social Democratic Party constitutional convention at Kensington Town Hall (to Feb. 14). Start of French nationalisation programme.

TOMORROW: Aslef train drivers strike.

MONDAY: Provisional index of industrial production for December. EEC finance meeting in Brussels. European Parliament in session in Strasbourg (to Feb. 19). EEC agriculture meeting in Brussels (to Feb. 16).

TUESDAY: Aslef train drivers strike. British Rail board meets. Lords debate personal savings and housing markets. Institute of Directors seminar on Overseas Projects: Securing contracts for British business at

Economic Diary

land Vehicles' unions discuss dispute. General strike in Belgium called by socialist unions. Sir Leo Pliatsky speaks at the Institute of Fiscal Studies seminar on Public Expenditure Policy and Management at Regent Palace Hotel, W1.

WEDNESDAY: Index of average earnings for December. Indices of basic rates of wages for January. CBI Council monthly meeting. IATA fares meeting in Geneva. Public Accounts Committee on Non-competitive contracts pricing and post-costing; funding of purchases of defence equipment.

THURSDAY: UK banks' asset

and liabilities and the money stock (mid-January). London dollar and sterling certificates of deposit (mid-January). Capital expenditure by the manufacturing and service industries (fourth quarter provisional). Manufacturers' and distributors' stocks (fourth quarter provisional). Aslef train drivers strike. Irish general election. Mrs Margaret Thatcher is interviewed live on ITV's TV Eye programme.

FRIDAY: Preliminary estimate of gross domestic product based on output data for fourth quarter.

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Development costs hit Brooke Tool

ABNORMALLY HIGH development costs charged to the profit and loss account have resulted in Brooke Tool Engineering (Holdings) falling £14,500 into the red at the pre-tax level for the year to September 30 1981, compared with a profit of £640,700 previously.

The final dividend is omitted (2.05p) leaving the payment for the year at 17.5p net (2.5p).

The directors say that subsequent to the last AGM when they said they would need to realign the company's manufacturing capacity in accordance with the long-term requirements of the markets it serves, they felt it necessary to make a substantial provision related to the group's investment in machine tool manufacturing following the recent closure of the Hayes factory at Leeds.

Two other factories were closed elsewhere, terminating certain unprofitable areas in other parts of the group, the directors add.

These were the major charges which constituted extraordinary debits of £892,900 (credits of

£156,900), which also included goodwill written off amounting to £220,700 arising mainly from the acquisition of Provincial Cities Trust.

The taxable loss was struck after interest charges of £134,200 (£183,000). Tax took £5,300 (£100,200) and after the extraordinary debit, the attributable loss emerged at £1,020m, against a surplus of £697,400. Turnover slipped from £9.67m to £9.16m. By mid-year taxable profits had fallen from last time's £320,000 to £56,000 after deducting re-organisation and development costs of £200,000.

comment

Those days of ambitious, "backdoor," rights issues at Brooke Tool are long gone. The shares are now trading below par after yesterday's 51p fall to 23p and the group is deeply in loss.

Development costs have risen from the previous minimal levels to some £250,000 and these have been charged above the line. Below the line, Brooke has provided £892,900 as the final cost of the

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Correlation, Total last year, Total this year. Includes Brooke Tool, Hamilton Oil (GB) Ltd, Plastic Constructions, Second Alliance, Wagon Finance.

foreshadowed "realignment" of its standard machine tool manufacturing capacity. It has also written off goodwill against the earlier Provincial Cities Trust acquisition. The realignment is timely given that the machine tool division in its old form probably lost some £350,000 before tax and interest last year. It should leave Brooke on a far higher technical platform with a new CNC machining centre and an NC milling centre due for imminent launch. Allowing for the two recent acquisitions,

Wagon Finance lower year end

AS PREDICTED at mid-term further branch openings adversely affected profits of Wagon Finance Corporation, banker, for the 12 months ending December 1981.

For the period profits at the pre-tax level fell back from £1.7m to £860,000, lower turnover of £12.2m, compared with £16.4m.

By half year profits had advanced from £404,908 to £575,101 but in their interim statement the directors revealed that the company had opened a further eight branches since the half year end and warned that this would have an adverse effect on profits in the short term.

Mr S. M. de Bartolome, chairman, now states that it is estimated that the opening of further branches adversely affected second half profits by approximately £425,000. He points out, however, that as a result of the openings the com-

pany achieved a marginal increase for the year in new business financed, despite the decline reported at mid-year, and held the carry forward of un-earned finance charges at £10.56m and the gross instalment credit balances at £60.69m.

As anticipated, arrears continued to mount as a result of rising unemployment and a short time working and led to a substantial increase in the company's provisions for bad and doubtful debts.

The chairman says that although the arrears gradually levelled off in the last few weeks of 1981 the trend has again been upwards in the first few weeks of the current year. He believes this was a direct result of the disruption arising from the severe weather conditions and hopes the worst is now behind the company.

Looking to the future Mr de Bartolome comments that although the company's profits

Efficiency benefits at Futura

THE BOARD of Futura Holdings (footwear maker and distributor) is expecting profits for 1981 to be in the region of £225,000, compared with £148,438 in the previous year.

The advance stems entirely from increased efficiency, and has been achieved against a background of rising costs which are outside the company's control, cheap imports and intense competition.

In the current year the order book is reasonable under the difficult trading conditions, the board reports.

At the half-year mark the company had cut its loss from £157,349 to £87,275 and stepped up its interim dividend from 1.05p to 1.15p. The final for 1980 was 1.54p.

Plastic Constructions downturn

WEAR HOME demand helped push down taxable profits of Plastic Constructions from £415,226 to £183,343 in the year to September 30 1981, on turnover down at £9.06m compared with £10.9m.

At the half-year stage this group, which designs and installs anti-pollution and corrosion-resistant equipment, was already behind with pre-tax profits of £61,000 (£106,000) and turnover of £4.72m (£5.17m)—the figures exceeded results of the overseas activities.

With a fall in the stated earnings per 10p share from 5.51p to 4.13p, the final net dividend is being cut from 1.5303p to 1.264p, making a total of 2.1p

(£2,663p). The directors say they hope to return to the usual dividend level as soon as possible.

Mr H. Aron, chairman, says while home demand was weak exports increased five-fold. Costs were contained and the full benefits of improved profitability should be realised in the current year, he says.

"We shall improve profitability on the present turnover level and we are in an excellent position to respond and further recover from the recession."

During the year under review the associated company produced increased profits of £49,133 (£15,361) and his level is being maintained.

Second Alliance

THE NET income available to ordinary shareholders of the Second Alliance Trust rose from £761,000 to £823,000 in the first half to January 31 1982, and net earnings per 25p share are stated higher at 4.29p compared with 3.89p.

The interim dividend is being maintained at 2.25p. Last year a total of 8.15p was paid out of attributable income of £1.79m (£1.94m). The directors estimate that the earnings per share should exceed 9.5p (9.34p) for the full year.

On January 31 the net asset value per share was 345.7p against 349.4p at July 31 1981. Gross income before interest and expenses for the six months came to £1.51m (£1.39m).

Enhanced trading base at Alexanders Discount

THE ADVANCE in 1981 profits has enhanced the trading base of Alexanders Discount, and will allow a larger portfolio to be carried should circumstances be considered suitable, says Mr Daniel Meinertzhagen, chairman, in his annual statement.

For the year under review, profits after rebate and tax and making a transfer to contingency reserve rose by £300,000 to £1.76m.

During the 12 months, yields on short dated gilts showed increasing volatility, and Mr Meinertzhagen reports that the board maintained a cautious attitude towards the gilt edged market throughout the period.

He says the company's book obviously varied through the year and there was an even greater need than before to adjust its size and shape to meet the swiftly changing conditions.

treasury bills has been consistently lower than in recent years, reflecting the reduced amounts offered for tender each week and the relatively poor yields to be obtained.

Moreover, under the new system, the attraction of treasury bills for liquidity purposes has been largely diminished by the extension of the range of commercial paper eligible for rediscount at the Bank of England.

The balance sheet at December 31 1981 shows British Government treasury bill at £41.5m (£36.46m). Negotiable certificates of deposit in sterling totalled £73.37m (£36.74m), while those in U.S. dollars were reduced from £1.3m to nil. British Government securities amounted to £3.95m (£379,000).

The AGM of the company will be held at 1 St Swithin's Lane, EC, on March 8 at noon.

Reynolds Diversified share trading halted

THE Stock Exchange yesterday suddenly prohibited trading in one of the market's favourite "penny stock units," Reynolds Diversified Corporation, when it learnt that the company was not qualified to trade under any of the exchange's rules.

Reynolds, a Nevada-based company with gold mining interests in Australia and oil and gas concessions in Ajman in the United Arab Emirates, has been around the London market since 1975. Yesterday morning its shares were changing hands at 11p-2p which puts a value of £7.8m on the company.

It has some 7,000 shareholders, over 5,500 of them in the UK. Two jobbers have made markets in the 380m 1 cent shares in issue, believing the company could be traded under the Stock Exchange's rules for companies listed abroad (Rule 163 1c) or reputedly traded in their own country (163 1g). However, Reynolds has no

listing anywhere in the world, nor is it traded in a regular market in the U.S. Once this fact became known to the Stock Exchange it called in Mr Lynne Brooks, the chairman, and told him it would prohibit trading.

Mr Brooks, who became chairman of Reynolds some nine months ago as a result of a takeover, said that he was taking "immediate steps" to get Reynolds traded in the American over-the-counter market by OTC, Net Incorporated, a member of the National Association of Securities Dealers.

This would take about 14 days, he said, and the Stock Exchange had agreed that once traded on the OTC it would restore the trading facility in London.

The prohibition on trading comes at an embarrassing time for its new management which is in the throes of trying to produce the company's first ever set of audited accounts.

First Castle Electronics £2.6m rights

First Castle Electronics is raising £2.6m gross by way of a rights issue of 5.55m shares, on the basis of one new share at 30p for each share held on February 23.

The company estimates that pre-tax profits for the year to January 1982 were not less than £0.5m compared with £0.83m in the previous year, and the directors intend to recommend a final dividend of 1.282p, making a total of 2.15p (1.79p). They also forecast a total dividend of 1.75p for 1983 on the enlarged capital.

The rights issue is not underwritten and despite the deep discount in the rights price, the shares gained 4p yesterday to 92p.

First Castle's original business was a music shop chain and a piano renovating operation but

in 1978 it acquired BRM Electronics, which makes ground test equipment for the aircraft industry and circuitry for the flight control systems in the Jaguar, Tornado and Boeing 747 aircraft. It also supplies test equipment for British Telecom, the UK Atomic Energy Authority, Thorn EMI and GEC.

The company is using the £2.5m net proceeds from the rights issue to help maintain its expansion programme. A number of acquisitions have been made, including the purchases in December of Ormaady and Stollery Electronic Components and Able Mouldings, for a combined total of cash and shares worth £0.4m.

Ormaady and Stollery is likely to be expanded into the north

of England, which would require further investment in plant, machinery and personnel.

Connor Finance Corporation is taking up 1.3m of its entitlement of 1.79m shares (21 per cent) in the rights issue.

An extraordinary general meeting is to be held on March 8 to approve an increase in authorised capital. Dealings in the new shares are expected to begin the next day and the final date for acceptances is March 29. The new shares will not rank for the final dividend in respect of 1981-82.

Brokers are Tilling and Co.

comment

First Castle attracted wide attention in 1980 when it was

one of the top performing shares of the year in the under £5m market capitalisation category, reaching a peak of 79p. It surged ahead again in 1981, 129p before falling to 65p recently. The key to the company's very fast profit growth is the BRM Electronics company acquired in 1978, which provides a variety of highly skilled services as a sub-contractor to electronics manufacturers, such as GEC. The estimated profit for 1981-82 represents a 50 per cent increase over the previous year and the task of a similar rise in the current year. That suggests a prospective ex-rights fully taxed p/e of nearly 18 which seems a bit ahead of the game. The prospective yield is 4.1 per cent.

Hodgson Martin sets up new risk capital fund

A NEW risk capital fund, the Northern Venture Capital Syndicate (NVCS), is being formed by the Edinburgh-based investment manager Hodgson Martin, to invest in new businesses under the Government's business start-up scheme.

NVC intends to direct funds into companies operating in Scotland and the north of England, generally avoiding investments where there would be a heavy commitment to research or development expenditure.

NVC is an approved investment fund under the 1981 Finance Act. It is aimed at high rate tax payers, as relief on investments made through NVC is available at the investor's marginal rate (up to 75 per cent). Since the maximum on which this relief is available is £10,000 Hodgson Martin is setting the upper limit for subscriptions. The minimum is £2,000.

Hodgson Martin aims to raise at least £0.75m; unless it is able to attract that amount NVC will not go ahead with its investment plans. The necessary subscriptions are forthcoming, it is intended to invest all the funds by April 5, 1982, after which any uninvested funds will be returned to subscribers.

As in the case of Electra Risk Capital, which raised £3.6m last November, NVC's managers will receive the interest on uninvested funds by way of commission. NVC also follows the precedent of another pioneering fund, Basildon, in levying a 7 per cent front-end charge.

Hodgson Martin is best known for its quiet investment trust, New Darton, which was launched in January 1981.

The offer, which closes on April 8, is being made through Bell, Lawrie, MacGregor, stockbrokers, of Edinburgh.

Energy Finance calls for another £1.65m

Energy Finance and General Trust, the investment holding company chaired by Mr Dennis Barkway, is raising £1.65m gross by way of a one-for-two rights issue of 4.125m shares.

The issue is being made at 40p per share. The market price closed up 2p to 42p yesterday before the issue was announced.

Mr John Dallas, an executive director of EFG's operating company, said the pricing reflected the group's desire to bring in new institutional shareholders.

"If we had done it at a deep discount, none of our existing shareholders would have renounced their rights."

He said the issue had been sub-underwritten by a number of institutions, "including some of our own shareholders."

The issue, the group's second in little over a year, is being made because the board believes it is wise to be in a position to

take advantage of favourable opportunities without recourse to external resources.

EFG will also continue a selective policy of active investment in oil and gas and other activities both in the UK and overseas and seeks to form a financial association with an equivalent organisation in the U.S. in order to participate in an area of significant potential where Energy Finance has already a sizeable asset base.

The issue is on the basis of one new share for every two shares or £1.20 nominal of convertible unsecured loan stock on January 29. The new shares will not rank for dividends in respect of the year to March 1982.

Dealings in the new shares will begin on February 15 and the final date for acceptances is March 8. The issue has been underwritten by brokers Montagu, Loebel Stanley and Co.

BIDS AND DEALS

Pleasurama paying £4.6m for London casino

BY DUNCAN CAMPBELL SMITH

Mr Abdel Wahab Galadari, the United Arab Emirates businessman who gambled away over £7m in English casinos between 1970 and 1980, has avoided a legal confrontation with the Gaming Board of Great Britain over his London casino interests by selling them to Pleasurama, the entertainment and leisure group.

Mr Galadari is the sole shareholder in Lydiastown Limited, a private company which owns and operates Maxim's Casino Club in Kensington, London. He bought the shares in October 1980. The Gaming Board objected to the renewal of the club's licence in view of Mr Galadari's foreign status and

lack of gaming industry experience. The courts upheld the board's objection in December, but deferred final judgment until February 16. The board agreed not to oppose the adjournment on the understanding that Mr Galadari would sell his shares and resign from the company before that date. It indicated that it would oppose further adjournment and press for the club's closure on February 16 if no sale had taken place by then.

With just four days to go, a £4.6m cash sale has been agreed with Pleasurama which will be conditional, inter alia, on the approval of the Gaming Board. The price is subject to a num-

ber of potential adjustments. Any excess of current assets over liabilities will be paid for at completion date. The two parties will also share equally in any pre-tax profits over £2.5m (up to a £10m ceiling) earned in the year after completion. Any shortfall below £2.5m, on the other hand, will be deducted from the purchase price.

Maxim's earned £1.6m pre-tax in the year to March 31, 1981 and £2.1m in the nine months to January 3, 1982. It is one of five casinos in London—including the Playboy and Clermont now owned by Trident Television—which face possible closure in the coming months.

Pleasurama, however, yesterday appeared confident of a future for Maxim's. It stressed that there has been "no criticism of the management or conduct of the club." The purchase was seen by Pleasurama as "a significant step in the company's development."

Pleasurama already derives about 10 per cent of its profits from gaming. It operates seven provincial casinos, three of which it opened last year. It also owns a 25 per cent stake in the Ritz Casino, and Casanova Club, two of the five London casinos owned by Grand Metropolitan's Mecca subsidiary.

Pleasurama's shares closed up 28p at 388p, a new high for 1981-82.

COLONIAL SECS./LTD. NEWSPAPERS

The independent directors and financial advisers of the Colonial Securities Trust say that an offer for the company by United Newspapers remains fair and reasonable despite a net asset value of 71.7p per 5p share on February 9 1982.

As referred to in the offer document certain shareholders of Colonial had undertaken to accept the offer subject to the net asset value not exceeding 70.5p on that date. Certain shareholders who had given undertakings to accept about 35 per cent of the shares — although now released from their undertakings—have either already accepted or indicated their continuing intention to accept.

CRODA INTL. On February 11, Messel and Co., brokers to Croda International, on behalf of an associate bought 50,000 Croda ordinary shares at 81p.

NO PROBE. The proposed acquisition by McCain Foods of Fas Limited is not to be referred to the Monopolies and Mergers Commission.

Directors sell 25.74% stake in Inter-City Inv.

THE DIRECTORS of Inter-City Investment Group, a loss-making investment, textiles and wholesale distribution company, have sold a 25.74 per cent stake in the company to a Lichtenstein-based financial investment group.

The directors and their families—who had a total shareholding of 32.13 per cent according to the last annual accounts for 1980—have sold 2.4m shares to Metan Investment Establishment at a price of 10p each.

The shares jumped 15p to 34p on the London Stock Exchange yesterday, valuing the company at £2.2m and the Metan holding at £328,000. Inter-City, which showed a turnaround from a profit of £167,000 to a loss of £482,000 in 1980, said the purchaser of the shares has the financial resources and international trading connections which will be available to the company to enable the board to pursue its plans for expansion. The purchaser has notified

the company that it has no intention of further increasing its holding.

Mr Joseph Harris, Inter-City's chairman, said yesterday that the directors thought it would be for the benefit of the company as a whole to sell the shares to a company with the resources to assist the group. He said that a capital injection from Metan would be discussed.

BERKELEY HAMBRO. Town and City Properties announces that acceptances of its offer for the preference stock of Berkeley Hambro Property have been received in respect of 781,268 units (representing 94.7 per cent of that issued). The offer remains open and Town and City intends to acquire compulsorily the outstanding balance.

BOWMAKER. Lloyds and Scottish has completed the acquisition of Bowmaker from C. T. Bowring.

STRONG & FISHER DISPOSAL

Strong and Fisher (Holdings) has sold half of its investment of 210,000 ordinary shares (24 per cent) in G. L. Bowron and Company to C. T. Bowring, New Zealand for a net cash consideration of £461,000.

Strong and Fisher will now be interested in 13 per cent of the ordinary shares of G. L. Bowron. The cost of the 12 per cent sold was £35,000 and the book value was £241,000—including retained profits of £256,100—which was included in the consolidated accounts of Strong and Fisher at July 3 1981.

The share of 12 per cent of the results after tax for the 18 months to G. L. Bowron included in the consolidated results of Strong and Fisher for the 53 weeks ended July 3 1981 was £48,300.

SHEFFIELD BRICK. For £20,500 cash, Sheffield Brick Group has purchased certain of the assets of Denis Waring and Company of Jersey Street, Waring trades in architectural ironmongery in the UK and abroad.

Results due next week

On Friday, Lloyds Bank leads off the series of preliminary results from the clearers, and estimates of its pre-tax profits range around £380m, compared with £289.9m in 1980. Lloyds Bank International has already reported an 87 per cent rise in profits to £120.6m in its year to September and the group will have the benefit of consolidation of Lloyds and Scottish as a subsidiary rather than an associate for much of the year. Also, growth of loan demand from both the personal and corporate sectors is believed to have picked up slightly in the second half. The interim dividend was raised 15 per cent to 8.625p and a simi-

lar rise for the final would make it about 11p.

The market is looking for about £19m pre-tax from Dalgety when it reports its interim figures on Tuesday, against £16.2m for the six months to December, 1980. Much of the improvement is thought to have come from frozen food in the U.S. Prices rises have not damaged volume and there have been reductions in overheads. On the mailing side too, margins have been picking up in the export trade. In Canada the performance has been less good and the lumber business suffered from a six-week strike. The Australian agricultural side has suffered a volume decline, in the wake of the recent

drought. Dalgety's debt/equity ratio is not thought to have fallen from 90 per cent at the year end, and interest payments will be higher in the first half. Profits for the year will largely depend on the effects of rationalisation of Spillers' animal feeds business. At the moment £48m pre-tax is the popular estimate.

Preliminary results from Bimold Quakeast, due on Wednesday for the year ended last October, are expected to show a loss at the pre-tax level of between £1.3m and £2.5m, against a profit of £0.2m. Since there was a first-half loss of £1.3m, this means at least some analysts expect a small second-half profit.

All agree that 1982 should bring a more substantial recovery. Improvement at this stage is largely pinned on loss eliminating; a real advance depends on volume gains in the industries division which is highly operationally geared. The lower mower division remains heavily dependent on the weather and the condition of the homeowner's budget, but heating should continue to trade profitably through the current year. No more than another token dividend can be expected this time.

Among other results due next week are preliminary figure from Bath and Portland and Gillett Brothers Discount, both on Wednesday.

Table with columns: Company, Announcement date, Dividend (p) Last year, Dividend (p) This year. Includes Adams and Gibson, Bank Leumi (UK), Bax and Portland, Bimold Quakeast, Dike and South Holdings, Foreign and Colonial Investment Trust, Goods Durand and Murray Group, Hatfield (John) Holdings, Kennedy Brookes, Lloyds Bank, Metall Bulletin, Newbold and Burton Holdings, Pentland Investment Trust, Romney Trust, Scottish Eastern Investments, Tace, Temple Bar Investment Trust, Tribuna Investment Trust, Trust of Property Shares.

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Alexanders Holdings Independent investigation into F. Pratt completed

setback

A SHARP drop in profits is reported by accountants Ernst & Whinney into certain aspects of head office expenditure at F. Pratt. Ernst & Whinney's investigation into certain aspects of head office expenditure at F. Pratt, a subsidiary of the holding company, is reported to have been completed. The report, which was made available to shareholders in his first annual report, "and examined by a committee of non-executive directors."

The recommendations of the committee involve seeking financial redress from certain individuals who have been discussed with our merchant bankers and, after taking the advice of leading counsel, have been accepted by your board and are being implemented," the chairman adds. "It would be inappropriate to make further comment at this stage."

There was no tax charge for the year (£308,000 credit) as a result of capital allowances and stock relief and after an extraordinary credit of £44,000 (£174,000) profits at the attributable level came through well down at £196,000, against £288,000.

Stated earnings per 10p share fell back from 2.50p to 0.97p. The directors point out that the profit was arrived at after crediting £148,000 (£40,000) interest capitalised on a site in course of development.

Current cost adjustments reduce the attributable profit to £46,000 (£87,000).

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machinery tool and scrap metal concern, 600 Group, which is also represented on the F. Pratt board by Mr L. Davies. The accounts show that 600 Group made 36.8 per cent of Pratt 600 Group made it clear at the time of Mr Hendin's appointment that it did not intend to launch a bid.

Mr Hendin also tells shareholders that "I am pleased to report that Mr W. G. Frigens has agreed to work with me as chief executive enabling him to concentrate fully on the difficult task of bringing the group back into profitability. New terms of service which are considered by our financial advisors to be fair and reasonable have been approved."

F. Pratt suffered a £790,000 pre-tax loss last year against an earlier profit of £899,000. The board proposes that Ernst & Whinney be appointed the group's auditors in place of Baisrow and Aitken. "The change is considered necessary," the new chairman states, "in view of the greater emphasis which is being placed on our overseas business and the need to use the specialist advice of the international firm."

Mr Kilm also warns that the board proposes to consider various development possibilities and ways of strengthening the company before embarking on a policy of paying dividends.

The value of the company's shares, which are held within the premium trust funds at Lloyd's, rose from £5.50 to £7 as at December 31, 1981.

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SUMMARY WEEK'S COMPANY NEWS

Take-over bids and deals

Elders IXL, the fast-growing Australian industrial company, followed up its dawn raid on Wood Hall Trust with an agreed cash offer of 215p per share. The bid is worth £53.6m for the UK group which has about 65 per cent of its assets in Australia. The full offer came just twenty-four hours after Elders instructed brokers Fielding Newson-Smith to bid in the market for Wood Hall's shares at 200p each. They had acquired under 10 per cent when others started to buy the shares and pushed the price to 206p.

Exco, the money broking group which recently came to the market, paid £4.5m for 75 per cent of W. I. Carr (Overseas), the profitable Hong Kong business which Carr Sebag, the London stockbroking firm, had put up for sale.

In the wake of the demise of Laker Airways, Saga Holidays acquired Laker Air Travel for £500,000 cash, while independent brewery concern Greenall Whitley bought Laker's Arrowsmith Sunshine Holidays Group for £4m.

Home Charm, the largest independent DIY retailer, agreed to buy the DIY business of J. H. Sankey for £14m. The 27 Sankey stores will increase Home Charm's Texas Homecare business by 66 per cent and establish the company as a nationwide chain.

HAT Group, the building services and materials company, is paying £3m for Jack Tighe, a substantial painting contractor based in the North East. The acquisition will double the size of HAT's painting division and take it into the field of specialist grit and shot-blasting cleaning.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Aaronson Bros.	Sept	543 (1,960)	—	(3.4) 1.2 (4.2)
African Lakes	July	441 (773)	3.7 (7.5)	1.1 (1.0)
Assoc. Fisheries	Sept	2,000 (5)	7.9 (2.7)	2.0 (1.0)
Crest Nicholson	Dec	6,320 (5,430)	8.8 (11.9)	2.85 (2.3)
Ford (Martin)	Nov	101 (244)	1.1 (1.8)	0.65 (0.5)
Habit Precision	Sept	146L (49)	—	(1.7) — (0.35)
Imperial Group	Oct	78,800 (58,200)	14.8 (17.7)	7.25 (7.25)
Ladies Frise	Nov	823 (1,170)	6.2 (8.5)	3.4 (3.4)
Louis Bros.	Oct	120,600 (110,100)	14.6 (19.4)	9.0 (9.0)
Manchester Ship	Dec	2,570 (2,260)	7.5 (7.2)	4.2 (4.2)
Norfolk Capital	Sept	2,400L (3,300L)	—	(7.5) —
Securcor	Sept	29L (837)	0.2 (1.3)	0.5 (1.2)
Security Services	Sept	9,230 (7,940)	14.7 (15.3)	1.78 (1.61)
Thermal Syndicate	Oct	7,960 (6,230)	13.6 (14.4)	3.0 (2.7)
Tilley Lamp	Sept	806 (1,400)	7.5 (21.9)	7.0 (7.0)
Weber Holdings	Dec	42 (241L)	8.9 (—)	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Amstrad Electron.	Dec	2,590 (1,310)	1.87 (1.56)
Ashley Industrial	Oct	61L (166)	1.5 (1.28)
Bevan Brothers	Dec	384 (360)	1.3 (1.1)
Bevan (D. F.)	Sept	35L (25)	0.25 (0.25)
BOC International	Dec	21,200L (14,600L)	— (—)
Burl Boulton	Sept	275 (940)	2.0 (3.0)
Christie Tyler	Oct	735L (445L)	— (—)
Christy Bros.	Dec	25 (54L)	— (—)
Crouch Group	Sept	161 (231)	1.06 (1.06)
Dale Electric	Oct	301 (205)	0.7 (0.7)
Douglas (Rbt. M.)	Sept	747 (1,122)	0.75 (0.73)
Dowry Group	Sept	15,700 (19,050)	1.55 (1.47)
English Assoc.	Dec	817 (528)	1.0 (0.83)
Episcure	Dec	540 (423)	0.63 (0.5)
Greycoat Exts.	Sept	285 (240)	— (—)
Grippeiros	Oct	407 (553)	1.4 (1.58)
Gulldahl Prop.	Dec	536 (509)	0.75 (0.75)
Hampson Inds.	Sept	169 (217)	0.25 (0.25)
Health (Samuel)	Sept	384 (164)	— (—)
Heekman	Oct	161 (—)	2.0 (—)
Hime, Farm Prods.	Nov	480 (398)	1.15 (1.15)
Jackson (Wm.)	Oct	403 (1,060)	— (—)
Key Properties	Dec	218L (43L)	— (—)
Leaderfish	Sept	105 (45)	0.7 (—)
Lowland Drapery	Nov	51L (168L)	— (—)
Meat Trade Spira.	Oct	132 (231)	1.75 (3.5)
Miner Supplies	Oct	677L (2,370)	— (—)
ML Holdings	Sept	45L (442)	2.0 (2.0)
Portsmouth News	Dec	2,440L (2,340L)	— (—)
Writhgna. (A. J.)	Sept	7L (17)	0.38 (0.41)

(Dividends in parentheses are for the corresponding period.) * Dividends shown net except where otherwise stated. † Nine months. ‡ First three months. † No comparable figure. L Loss.

Offers for sale, placings and introductions

Amer sham (International)—Offer for sale of 50m ordinary shares at 142p each (full prospectus on Monday).
EST London—Has obtained a Luxembourg listing.
Renaissance Resources—Is seeking a Toronto Stock Exchange listing and plans a London dealing facility under Stock Exchange rule 163 (1) (e).
Television South West—Is being introduced to the Stock Exchange next week.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Last	Vol.	Last	Stock
GOLD C F375	—	—	10	87	£377.50
GOLD C F400	—	—	15	16.50	89
GOLD C F425	—	—	8	—	—
GOLD C F450	—	—	2	—	—
GOLD F F400	—	—	3	—	—
GOLD F F450	—	—	27	24	—
124, Nl. 81 87-91	—	—	—	—	—
C F107.50	—	—	—	—	1.65
P F107.50	—	—	—	—	0.60
104, Nl. 80 86-88	—	—	—	—	—
C F92.50	—	—	—	—	1.80
P F92.50	—	—	—	—	0.60
C F97.50	—	—	—	—	—
P F97.50	—	—	—	—	—
ABN C F300	—	—	—	—	—
AKZO C F225	—	—	—	—	—
AKZO C F250	—	—	—	—	—
AKZO C F275	—	—	—	—	—
AKZO C F300	—	—	—	—	—
AMRO C F50	—	—	—	—	—
HEIN C F55	—	—	—	—	—
HEIN C F60	—	—	—	—	—
HOOG C F11.50	—	—	—	—	—
HOOG C F17.50	—	—	—	—	—
HOOG C F23.50	—	—	—	—	—
KLM C F90	—	—	—	—	—
KLM C F100	—	—	—	—	—
KLM C F110	—	—	—	—	—
KLM C F120	—	—	—	—	—
KLM C F130	—	—	—	—	—
KLM C F140	—	—	—	—	—
KLM C F150	—	—	—	—	—
KLM C F160	—	—	—	—	—
KLM C F170	—	—	—	—	—
KLM C F180	—	—	—	—	—
KLM C F190	—	—	—	—	—
KLM C F200	—	—	—	—	—
KLM C F210	—	—	—	—	—
KLM C F220	—	—	—	—	—
KLM C F230	—	—	—	—	—
KLM C F240	—	—	—	—	—
KLM C F250	—	—	—	—	—
KLM C F260	—	—	—	—	—
KLM C F270	—	—	—	—	—
KLM C F280	—	—	—	—	—
KLM C F290	—	—	—	—	—
KLM C F300	—	—	—	—	—
PHIL C F80	—	—	—	—	—
PHIL C F85	—	—	—	—	—
PHIL C F90	—	—	—	—	—
PHIL C F95	—	—	—	—	—
PHIL C F100	—	—	—	—	—
PHIL C F105	—	—	—	—	—
PHIL C F110	—	—	—	—	—
PHIL C F115	—	—	—	—	—
PHIL C F120	—	—	—	—	—
PHIL C F125	—	—	—	—	—
PHIL C F130	—	—	—	—	—
PHIL C F135	—	—	—	—	—
PHIL C F140	—	—	—	—	—
PHIL C F145	—	—	—	—	—
PHIL C F150	—	—	—	—	—
PHIL C F155	—	—	—	—	—
PHIL C F160	—	—	—	—	—
PHIL C F165	—	—	—	—	—
PHIL C F170	—	—	—	—	—
PHIL C F175	—	—	—	—	—
PHIL C F180	—	—	—	—	—
PHIL C F185	—	—	—	—	—
PHIL C F190	—	—	—	—	—
PHIL C F195	—	—	—	—	—
PHIL C F200	—	—	—	—	—
PHIL C F205	—	—	—	—	—
PHIL C F210	—	—	—	—	—
PHIL C F215	—	—	—	—	—
PHIL C F220	—	—	—	—	—
PHIL C F225	—	—	—	—	—
PHIL C F230	—	—	—	—	—
PHIL C F235	—	—	—	—	—
PHIL C F240	—	—	—	—	—
PHIL C F245	—	—	—	—	—
PHIL C F250	—	—	—	—	—
PHIL C F255	—	—	—	—	—
PHIL C F260	—	—	—	—	—
PHIL C F265	—	—	—	—	—
PHIL C F270	—	—	—	—	—
PHIL C F275	—	—	—	—	—
PHIL C F280	—	—	—	—	—
PHIL C F285	—	—	—	—	—
PHIL C F290	—	—	—	—	—
PHIL C F295	—	—	—	—	—
PHIL C F300	—	—	—	—	—
SIEM C DM280	60	1	—	—	DM217.50
TOTAL VOLUME IN CONTRACTS:	—	—	—	—	2888
A=Asked B=Bid C=Call P=Put	—	—	—	—	—

BASE LENDING RATES

A.B.N. Bank	14 %	Robert Fraser	14 %
Allied Irish Bank	14 %	Grindlays Bank	14 %
American Express BK.	14 %	Guinness Mahon	14 %
Amro Bank	14 %	Hambros Bank	14 %
Henry Ansbacher	14 %	Heritable & Gen. Trust	14 %
Arbutnot Latham	14 %	Hill Samuel	14 %
Associates Cap. Corp.	14 %	C. Hoare & Co.	14 %
Banco de Bilbao	14 %	Hongkong & Shanghai	14 %
BCCI	14 %	Knowsley & Co. Ltd.	14 %
Bank Hapoalim BM	14 %	Lloyds Bank	14 %
Bank Leumi (UK) plc	14 %	Mallinhal Limited	14 %
Bank of Cyprus	14 %	Edward Manson & Co.	14 %
Bank Street Sec. Ltd.	14 %	Midland Bank	14 %
Bank of N.S.W.	14 %	Morgan Montagu	14 %
Banque Paribas	14 %	Morgan Grenfell	14 %
Banque de Rome et de la Tunisie S.A.	14 %	National Westminster	14 %
Barclays Bank	14 %	Norwich General Trust	14 %
Benevolent Trust Ltd.	14 %	P. S. Refson & Co.	14 %
Bremar Holdings Ltd.	14 %	Roxburgh Guarantees	14 %
Bristol & West Invest.	14 %	Z. S. Schwab	14 %
Brit. Bank of Ind. East	14 %	Slavenburg's Bank	14 %
Brown Shipley	14 %	Standard Chartered	14 %
Canada Perm't Trust	14 %	Trade Dev. Bank	14 %
Castle Court Trust Ltd.	14 %	Trustee Savings Bank	14 %
Cavendish Gty Tr'at Ltd.	14 %	TCB Ltd.	14 %
Cayzer Ltd.	14 %	United Bank of Kuwait	14 %
Cedar Holdings	14 %	Widley Laidlaw	14 %
Charterhouse Japan	14 %	Williams & Glyn's	14 %
Choulartons	14 %	Wintour Secs. Ltd.	14 %
Citibank Savings	14 %	Yorkshire Bank	14 %
Clydesdale Bank	14 %	Members of the Accepting Houses Committee.	14 %
C. E. Coates	14 %	7-day deposits 11.50%, 1-month 11.75%, Short term £8,000/12 month 14.10%.	14 %
Consolidated Credits	14 %	7-day deposits on sums of—under £10,000 11.50%, £10,000 to £50,000 12%, £50,000 and over 12%.	14 %
Co-operative Bank	14 %	Call deposits £1,000 and over	14 %
Corinthian Secs.	14 %	21-day deposits over £1,000 13%	14 %
The Cyprus Popular Bk.	14 %	Demand deposits 12%.	14 %
Duncan Lawrie	14 %	Mortgage base rate.	14 %
Eagle Trust	14 %		
E.T. Trust	14 %		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 9EB Telephone 01-621 7212

1981-82	Company	Price	Change	Gross Yield (%)	P/E	Fully Paid
High Low						
124	100 ASI Hldgs. 10pc CULS	70	+1	10.0	8.7	—
52	Altrac	124	—	4.7	11.1	15.4
51	33 Armada & Rhodes	44	—	4.3	9.8	3.7
205	157 Bardon Hill	204	—	8.7	4.5	92.1
104	77 Deborah Services	100	—	6.4	4.9	11.

WORLD STOCK MARKETS

Early firmness on Wall St

NEW YORK

Table with columns: Stock, Feb. 11, Feb. 10. Lists various stocks like ACF Industries, AMP, AM Int, etc.

Stock

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SLIGHTLY HIGHER levels developed on Wall Street yesterday as a combination of uncertainty about the Weekly Money Supply figures and a Bank Holiday inhibited any major movement in the Stock Market.

By 1 pm the Dow Jones Industrial Average was up 1.23 at \$35.90, reducing its loss on the week to 15.13, while the NYSE All Common Index, at \$82.24, gained 13 cents on the day but still off \$1.85 on the week.

Analysts said investors are reluctant to commit themselves to the market ahead of the Money Supply figures, released after the close, and before a three-day weekend.

Wall Street will close Monday in observance of Washington's birthday and banks in many states including New York were closed yesterday for Lincoln's birthday.

Projections for this week's Money Supply range from a moderate rise in the M-1 measure to a decline. Stocks fell sharply the past two Mondays after disappointing Monday figures.

Enterra advanced \$2 1/4 to \$29 1/4 in reported higher earnings earlier in the week. Rochester Gas and Electric fell \$1 1/2 to \$21 1/2 - new defects were reported at its Ginna nuclear plant.

Merrill Lynch, the volume leader, declined to \$31 1/4 - a block of 1,244,500 shares traded at \$31 1/4. Hospital Corp of America, second active, due to a block of 800,000 shares that traded at \$31 1/4.

Closing Prices for North America were not available for this edition.

Baldwin-United gave way \$1 1/2 to \$60 - it is seeking regulatory approval of its proposed takeover of VIGIC Investment.

THE AMERICAN SE Market Value Index shed 0.81 to 273.50, making a fall of 0.81 on the week. Trading volume dipped to 273,000 shares to a 3.6m compared with 1 pm Thursday.

Canada Stocks drifted lower at mid-session with the Toronto Composite Index off 3.1 to 1,677.0. The Metals and Minerals Index shed 4.8 to 1,570.3.

Germany Narrowly mixed after dull trading. Brokers said that a lack of market-affecting news made for a trendless session for the second straight day.

France Stocks drifted lower at mid-session with the Paris Composite Index off 3.1 to 1,677.0. The Metals and Minerals Index shed 4.8 to 1,570.3.

Japan Stocks drifted lower at mid-session with the Tokyo Composite Index off 3.1 to 1,677.0. The Metals and Minerals Index shed 4.8 to 1,570.3.

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Base values of all indices are 100 except Australia's All Ordinary and Metals-100; NYSE All Common-25; Standard and Poors-100 and Toronto-1,000; the last named based on 1975. Excluding bonds, 400 Industrials, 400 Financials and 20 Transports, c closed, u Unavailable.

Computer losses hit Saint Gobain

By David White in Paris
SAINT-GOBAIN, the glass-to-electronics group which constitutes the most expensive single item on the French Government's nationalisation list, yesterday announced a fall of more than half in consolidated net earnings for 1981.

Operating profits fell to FF1,355bn from FF1,215bn, a drop of 37 per cent. Without taking Honeywell Bull's deficit into account the decline would have been kept down to 14 per cent.

Wider EOE gold trading

THE DUTCH European Options Exchange (EOE) and the Montreal Stock Exchange plan to start their combined gold option trading on February 22.

Pay cuts at Kaiser Steel

KAISER STEEL, which recently reported a \$437m loss for 1981 against a profit of \$191.5m previously, has instituted a 10 per cent pay cut for officers at corporate level and a pay freeze for salaried employees.

SHARP REVERSE FOR STEEL DIVISION

First-half downturn at BHP

BY GRAEME JOHNSON IN SYDNEY

AUSTRALIA'S biggest public company, Broken Hill Proprietary (BHP) has reported a 19.2 per cent fall in earnings from A\$252m to A\$203.7m (US\$221.7m) for the half-year ended last November.

The only bright spot was a 20.7 per cent lift from A\$17.54m to A\$21.7m in the contributions from John Lysaght (Australia) and a 27.75 per cent increase from A\$20.7m to A\$26.4m in earnings by other group subsidiaries and investments.

The BHP group has been exposed in the latest half to the severe problems faced by the steel industry and without any improvement in oil and gas earnings to offset this.

Mr Brian Loton, managing director of BHP, said optimistically, "We are never without hope and there are serious problems to which we are addressing attention."

New can plant costs hit PLM

BY OUR STOCKHOLM CORRESPONDENT

PLM, the Swedish metal can, packaging and waste recovery group, reports an earnings slump from SKr 96.2m to SKr 37.3m (\$6.5m) in 1981, confirming the forecast made by managing director Mr Ulf Laurin, managing director, in his eight-month interim review.

Earnings per share tumbled from SKr 19 to SKr 7.40 but the directors propose to pay shareholders an unchanged dividend of SKr 7.75 a share.

Agreement has been reached with the Swedish Government on a recovery system for aluminium cans and PLM predicts that the new factory should show a small pre-tax profit this year.

Spanish bank raises profits

By Robert Graham in Madrid

BANCO Hispano-Americano, Spain's third largest commercial bank, has increased net profits by 30 per cent to Pta 8.8bn (\$88m), confirming that 1981 has been an exceptional year for the Spanish banking community.

Sealand gives R. J. Reynolds sharp lift

By Our New York Staff

R. J. REYNOLDS, the U.S. group whose chief interests are in tobacco, energy and shipbuilding, lifted fourth-quarter profits by 32 per cent and recorded strong growth for the whole of 1981.

Non-European trade provides sharp boost to earnings at ESAB

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

ESAB, the Swedish welding equipment manufacturer, had unexpectedly good results for 1981 with earnings rising 67 per cent to SKr 114m (\$20m).

Sweden. However, the Swedish company played its part in the current restructuring of the European welding industry by buying last year companies in the Netherlands and West Germany. These takeovers make ESAB one of the world's two biggest companies in the gas cutting machinery field, says the company.

Renown stages steady growth

BY YOKO SHIBATA IN TOKYO

RENEWN, JAPAN'S leading clothing wholesaler which has its own strong, nationwide sales network, lifted unconsolidated operating profits by 20.6 per cent to Y14bn (\$39m) in 1981.

Thanks to tax reductions following the introduction of a new retirement pension system, net profits jumped Y7bn, up 39 per cent over the previous fiscal year.

As a result of the contribution of new brand products to sales, the company's gross profit ratio improved to 31.5 per cent from 30.9 per cent in the previous year.

Spanish bank raises profits

By Robert Graham in Madrid

BANCO Hispano-Americano, Spain's third largest commercial bank, has increased net profits by 30 per cent to Pta 8.8bn (\$88m), confirming that 1981 has been an exceptional year for the Spanish banking community.

Record year for AMCA

By Robert Gibbins in Montreal

RECORD RESULTS are reported for 1981 by AMCA International, formerly Dominion Bridge and the Canadian Pacific group's fastest-growing affiliate over the past five years.

Acquisitions help Haggie

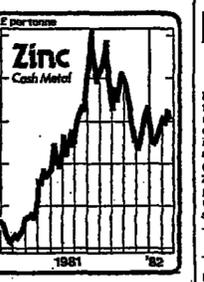
BY JIM JONES IN JOHANNESBURG

HAGGIE, the South African steel and electrical products manufacturer, was helped by acquisitions to a 27.4 per cent operating profit increase in 1981.

Mr Richard Savage, the chief executive, believes that trading conditions will be more difficult this year and that emphasis will be on integration and consolidation of the acquisitions.

WEEKLY PRICE CHANGES

Table with columns: Commodity, Latest price, Change on week, Year ago, High, Low. Includes Metals, Grains, Spices, Oils, Seeds, and Other Commodities.



MARKET REPORTS

BASE METALS

BASE-METAL PRICES were easier on the London Metal Exchange. Tin came under pressure as first offerings of cash metal and cast lead were sent into LME warehouses new cash close at \$2,720 and three months at \$2,800.

COOPER

Table showing Copper prices: High Grade, 3 months, 6 months, 9 months, 12 months, and various other grades.

SILVER

Table showing Silver prices: Spot, 1 month, 3 months, 6 months, 12 months, and various other grades.

AMERICAN MARKETS

Table showing American market prices for various commodities like Wheat, Corn, Soybeans, and Cotton.

COFFEE

Table showing Coffee prices: Arabica, Robusta, and various other grades.

COCA

Table showing Coca prices: Various grades and types.

SOYABEAN MEAL

Table showing Soyabean meal prices: Various grades and types.

INDICES

Table showing various financial indices like Dow Jones, Financial Times, and Moody's.

ZINC

Table showing Zinc prices: High Grade, 3 months, 6 months, 9 months, 12 months, and various other grades.

COFFEE

Table showing Coffee prices: Arabica, Robusta, and various other grades.

GAS OIL FUTURES

Table showing Gas oil futures prices: Various grades and types.

POTATOES

Table showing Potato prices: Various grades and types.

BANKS, DISCOUNT (1,031)

Table listing various banks and discount companies with their respective stock prices and changes. Includes entries like ABC Bank, ABC Discount, etc.

BREWERIES (558)

Table listing various brewery companies with their stock prices and changes. Includes entries like ABC Brewery, XYZ Brewery, etc.

COMMERCIAL (10,294)

Table listing various commercial companies with their stock prices and changes. Includes entries like ABC Commercial, XYZ Commercial, etc.

Stock Exchange Dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should be regarded as a preliminary list. It is subject to change without notice.

Main table of stock exchange dealings, organized by industry sectors such as Banks, Breweries, Commercial, etc. Each entry includes company name, stock price, and change.

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The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should be regarded as a preliminary list.

Main table of stock exchange dealings, organized by industry sectors such as Banks, Breweries, Commercial, etc. Each entry includes company name, stock price, and change.

LONDON TRADED OPTIONS

Table showing London traded options for various stocks, including columns for option type, price, and volume.

Vertical text on the far right edge of the page, possibly containing additional market data or a sidebar.

Table of financial data including share prices for various companies like Anglo-Indians, Anglo-Siam, Anglo-Tan, etc.

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FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts and their performance metrics, including names like Anglo-Indians, Anglo-Siam, etc.

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RULE 163 (1) (e)

Securities marked in securities which are quoted or listed on an Overseas Stock Exchange.

MONEY MARKETS

London clearing bank base leading rates 14 per cent (since January 25). Day to day credit was in short supply in the London money market.

EXCHANGES AND BULLION

The dollar was generally firmer in currency markets yesterday with trading restricted because of the closure of New York markets and a national holiday in the US on Monday.

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various currencies.

GOLD

Table showing gold prices and exchange rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange rates for various currencies like Sterling, US Dollar, etc.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for 3 months and 6 months US dollars.

CURRENCY MOVEMENTS

Table showing currency movements and exchange rates for various currencies.

OTHER CURRENCIES

Table showing exchange rates for various other currencies like Argentine Peso, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various currencies.

U.K. CONVERTIBLE STOCKS

Table showing U.K. convertible stocks with columns for Name and description, Size, Current price, etc.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

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BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield.

Five to Fifteen Years

Table of Five to Fifteen Years funds with columns for Name, Price, and Yield.

Over Fifteen Years

Table of Over Fifteen Years funds with columns for Name, Price, and Yield.

Undated

Table of Undated funds with columns for Name, Price, and Yield.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues with columns for Name, Price, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and Yield.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Price, and Yield.

LOANS

Table of Loans with columns for Name, Price, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, and Yield.

AMERICANS

Table of American stocks with columns for Name, Price, and Yield.

CANADIANS

Table of Canadian stocks with columns for Name, Price, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and Yield.

ELECTRICALS

Table of Electricals with columns for Name, Price, and Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics with columns for Name, Price, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and Yield.

HIRE PURCHASE, ETC.

Table of Hire Purchase, etc. with columns for Name, Price, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and Yield.

INDUSTRIALS (Miscel.)

Table of Industrials (Miscellaneous) with columns for Name, Price, and Yield.

FOOD, GROCERIES—Cont.

Table of Food, Groceries with columns for Name, Price, and Yield.

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CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Name, Price, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for Name, Price, and Yield.

